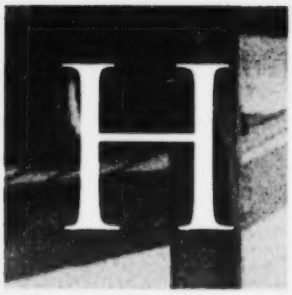

HOUSING NOW

Canada

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Canada Mortgage and Housing Corporation

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JANUARY 2006

Canadian Market Overview

New Home Market

2005 housing starts rank second highest since 1988

The seasonally adjusted annual rate[1] of housing starts was 232,600 units in December, up slightly from 229,100 units in November.

2005 was another excellent year for residential construction. Thanks to low mortgage rates, healthy labour markets and steady income growth, housing starts in 2005 posted their second highest level since 1988. Total housing starts for 2005 reached 225,481 units, a decrease of 3.4 per cent, compared to 2004. Starts will continue to ease to just under 210,000 units this year due to a slight rise in mortgage rates and more balanced conditions in the existing home market. Still, 2006 will be the fifth consecutive year in which housing starts exceed the 200,000 unit threshold.

continued on page 2...

In this Issue:

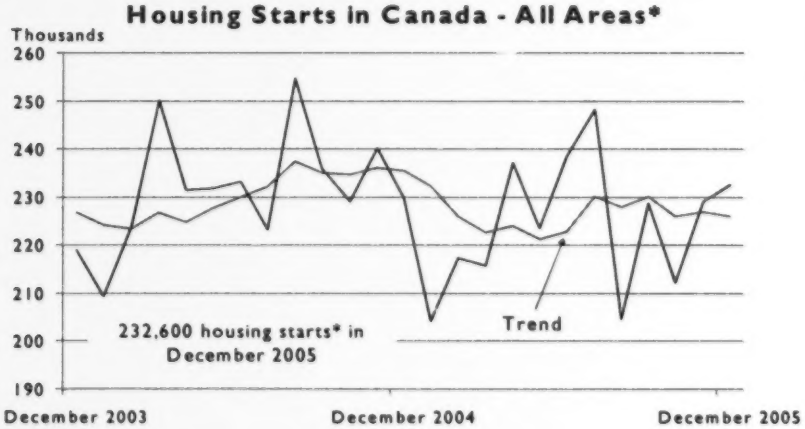
Canadian Market Overview ---------- 1

Rental Markets accross Canada ---------- 4

Tables:

Starts Statistics ---------- 9

Housing Starts in Canada - All Areas*



Source: CMHC

*Seasonally adjusted at annual rates

Monthly housing starts numbers published in Housing Now Canada are final and may differ from the preliminary numbers in the starts press release

[1] All starts figures, other than actual starts, are seasonally adjusted annual rates (SAAR) that are monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels.

Canada

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HOME TO CANADIANS

Both urban single and multiple starts rose in December

The seasonally adjusted annual rate of urban starts rose 1.8 per cent to 198,900 units in December compared to the previous month. Single starts were up by 3.5 per cent to 97,800 units, while multiple starts inched up by 0.2 per cent to 101,100 units in December compared to November.

Urban starts decreased in the Atlantic, the Prairies, and Quebec

The seasonally adjusted annual rate of total urban starts declined in December in three out of five regions across Canada. Urban housing starts eased in the Atlantic provinces (-8.8 per cent), the Prairies (-7.0 per cent), and Quebec (-0.5 per cent). Urban housing starts were up 4.4 per cent in Ontario and 13.5 per cent in British Columbia during the last month of the year.
Rural starts in December were estimated at a seasonally adjusted annual rate of 33,700 units.

Actual urban starts in 2005 eased in seven of the ten provinces over the previous year

For the year 2005, actual urban starts accross Canada decreased 5.3 per cent compared to 2004. The decline was more pronounced for single starts, which were down 9.5 per cent. Actual urban multiple starts fell 1.0 per cent in 2005 compared to the previous year.
Double digit decreases in urban starts were observed in Saskatchewan (-20.4 per cent), Newfoundland (-15.8 per cent) and Quebec (-11.7 per cent) in 2005. On the other hand, actual urban starts increased in British Columbia (+0.8 per cent), New-Brunswick (+1.0 per cent) and Alberta (+6.6 per cent) in 2005 compared to the previous year.

New house prices in November remain strong

The year-over-year increase in the price of new homes, as measured by the New Housing Price index (NHPI), was 5.5 per cent in November 2005, up from 5.4 per cent in October 2005. Strong demand for housing, higher building material and labour costs, as well as increasing land values, contributed to the increase in house prices.

Existing Home Market

MLS® sales up slightly in November

Seasonally adjusted MLS® (Multiple Listings Service) sales grew to 41,724 units in November, up 1.6 per cent from 41,074 units in October. MLS® sales in 2005 are on their way to establishing a new annual record. As a matter of fact, year-to-date MLS® actual sales from January to November 2005, at 458,652 units, have increased 4.9 per cent compared to the same period in 2004, which was also a record year.

MLS® new listings were down in November

Seasonally adjusted MLS® new listings fell to 64,621 units in November, down 0.8 per cent from 65,125 units in the previous month. Despite this third monthly drop, on a year-to-date basis (January to November 2005) actual new listings have increased 4.3 per cent compared to the same period in 2004.

Sellers' market continues to support rising house prices

— Sales-to-new-listings, Canada, % (left axis) · · · MLS® price, $ (right axis)

Sources: CMHC, Canadian Real Estate Board (CREA), MLS®

continued on page 3...

Sellers' market conditions across Canada continue to support strong growth in house prices

An indicator of price pressure in the existing home market is the sales-to-new-listings ratio[1]. New listings are a gauge of supply of existing homes, while MLS® sales are a proxy for demand.

The sales-to-new-listings ratio for Canada remained in sellers' market territory in November, at about 65 per cent. The Canada-wide average MLS® price increased by 10.2 per cent from January to November 2005 compared to the same period in 2004.

Economic conditions

In December, 2,000 jobs were lost, bringing the total for 2005 to 232,000 net new jobs. The entire employment gain in 2005 resulted from the creation of 262,000 full-time jobs. On the other hand, part-time employment decreased by 30,000 jobs last year.

In December 2005, the seasonnally adjusted employment-to-population ratio was 62.7%, which is only marginally below the historic peak of 62.8 %. In other words, a near record share of Canadians are employed, which is supporting high levels of consumer confidence and strong demand for housing.

Once again, Canada's employment growth in 2005 (1.4 per cent) outpaced labour force growth (1.0 per cent). As a result, the unemployment rate was 6.5 per cent in december 2005, only slightly above the 30 year low of 6.4 per cent reached the previous month.

The Bank of Canada raised its target for the overnight lending rate by a quarter of a percentage point to 3.5 per cent on January 24th following similar moves on December 6th, October 18th, and September 7th. With the economy operating close to full capacity, the gradual reduction in monetary stimulus will help to prevent rising inflationary pressures. Nevertheless, monetary conditions remain stimulative.

In December, the price of goods and services included in the Consumer Price Index (CPI) basket increased 2.2 per cent compared to December 2004. The increase was mainly due to higher gasoline prices, restaurant meal prices, and homeowners' replacement costs. These increases were restrained by lower prices for computer equipment and supplies, and for fresh vegetables.

[1] Taking the Canadian market as a whole, a sales-to-new-listings ratio below 35 per cent has historically accompanied prices that are rising at a rate that is less than inflation, a situation known as a *buyers' market*. A sales-to-new-listings ratio above 50 per cent is associated with a *sellers' market*. In a sellers' market, home prices generally rise more rapidly than overall inflation. When the sales-to-new-listings ratio is between these thresholds, the market is said to be *balanced*.

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Product # 63830-2006-01

Rental markets across Canada

The average rental apartment vacancy rate in Canada's 28 major centres remained unchanged in October 2005, as vacancy rate increases in some centres were offset by decreases in others. We examine the key factors that contributed to changes in vacancy rates for a selection of CMAs to get a better understanding of rental market conditions across Canada.

The stabilizing of the vacancy rate across the major centres reflects a number of factors. High levels of immigration have been a key driver of rental demand over the past year because the majority of new immigrants initially settle in rental housing. Also, across most centres, more renters are remaining in rental units as the gap between the cost of home ownership and renting increased in 2005. These two factors have put downward pressure on vacancy rates over the past year. On the other hand, condominium completions have remained high in some centres. Condominiums are a relatively inexpensive form of housing that are often purchased by renter households switching to home ownership. In some cases, condos supplement the rental market as they may be purchased by investors who, in turn, rent them out. Therefore, high levels of condominium completions have created competition for the rental market and have put upward pressure on vacancy rates.

Taking Canada's 28 major centres together, these factors netted each other out and the vacancy rate was unchanged from a year ago. However, in any given centre, the balance of these factors could be different, causing the vacancy rates to either increase, decrease, or remain unchanged. Results show vacancy rates rising in 15 of Canada's 28 major centres. The average vacancy rate in the major centres held steady at 2.7 per cent, which is slightly below the average of 2.8 per cent over the 1995 to 2004 period. We take a more in depth look at a selection of CMAs (Vancouver, Calgary, Toronto, Montreal, and Halifax), to get a better feel for the degree to which rental market trends vary across the country.

Vancouver:

The vacancy rate in Vancouver increased slightly from 1.3 per cent in October 2004 to 1.4 per cent in October 2005. Despite the increase, the vacancy rate remains below the fifteen-year average of 1.5 per cent.

Demand for rental accommodations in Vancouver has remained strong despite a high level of first-time buyer activity due in part to historically low mortgage rates. Many renter households, who have purchased new condominiums, are facing delays and must wait for their units to be completed. As a result, these households remain in the rental market. In addition, the robust Vancouver economy has generated strong employment growth. This is drawing an increased number of migrants, many of whom choose to rent upon arrival before they buy.

Centres with the largest increases in vacancy rate (% pt change)	Centres with the largest decreases in vacancy rate (% pt change)	Centres with the highest vacancy rate (%)	Centres with the lowest vacancy rate (%)
Windsor (+1.5)	**Calgary (-2.7)**	**Windsor (10.3)**	**Victoria (0.5)**
St. John's (+1.4)	**Saskatoon (-1.7)**	**Saint John (5.7)**	**Sherbrooke (1.2)**
Abbotsford (+1.0)	**Greater Sudbury (-1.0)**	**Thunder Bay (4.6)**	**Vancouver (1.4)**
Gatineau (+1.0)		**Saskatoon (4.6)**	**Québec (1.4)**

continued on page 5...

The overall stock of privately initiated rental housing has remained constant for nearly a decade. Sellers' market conditions caused land prices to rise. As a result building rental accommodations became less economically viable.

Rents in the Vancouver CMA increased at about the rate of inflation. Average rents for larger apartments in Vancouver have experienced the largest increases over the last year. More dramatic rent increases have also encouraged higher vacancies in larger units as consumers seek to maximize their housing dollar.

Calgary:

The vacancy rate in the Calgary CMA fell 2.7 percentage points to 1.6 per cent in October 2005, the lowest rate since October 2001 when the vacancy rate was 1.2 per cent. The dominant factors that caused the lower vacancy in 2005 were a strong recovery in net migration, a decline in the rental market universe, and a lack of rent increases.

A recovery in net migration helped boost rental demand in 2005 from a 12-year low. Net migration, for the 12-month period ending in April 2005 increased more than five-fold to 13,677 people compared to 2,253 in the 12 month period ending in April 2004. Calgary's rental market universe declined by 2.2 per cent (919 units) compared to October 2004, reflecting the conversion of rental units into condo units. Following a marginal decline of 0.7 per cent in 2004, tenants in the Calgary CMA saw their average rents increase by less than one per cent in 2005. Coming off the two highest vacancy rates in the last 10 years, property owners have been increasingly reluctant to boost rents in an attempt to cut vacancies. While rents remain flat, the cost of homeownership in Calgary is rising. As a result, some households opted to rent rather than buy a home.

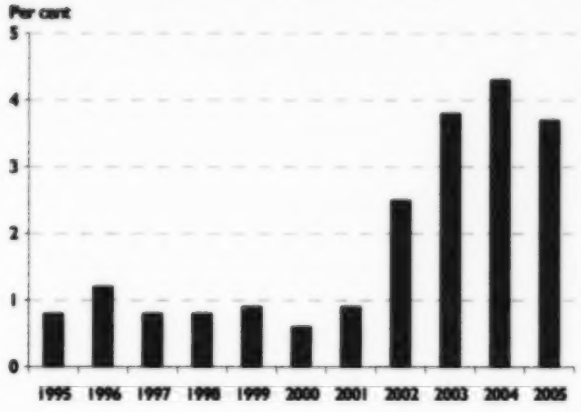
Comparing apartment units by structure size, it appears that vacancy rates within mid- to large-sized structures were lower in 2005. Interestingly, the average rent among the largest structures was the highest in the CMA, which would suggest a willingness among renters in Calgary to rent higher quality products in larger structures.

continued on page 6....

Toronto:

Rental demand tightened in Toronto with vacancy rates falling from 4.3 per cent in October 2004 to 3.7 per cent in October 2005. Despite the decline, the vacancy rate remains at its fourth highest level on record. The high vacancy rate kept average rents flat. Rental demand increased as a result of higher levels of immigration, incentives offered by many property managers/owners, and easing growth in homeownership.

Toronto CMA Vacancy Rate



A well-established ethnic network and a more diverse array of job opportunities relative to many other CMAs are key factors that attract international migrants to Toronto. The number of immigrants settling in Toronto has started to recover, trending upwards after dropping sharply in 2003. This has helped bolster rental demand in Toronto as a large percentage of new immigrants initially tend to settle into rental accommodations. As all after three years of increasing vacancies cing in 2002, some rental property managers have used incentives such as a month of free rent or free parking to attract and retain tenants in 2005.

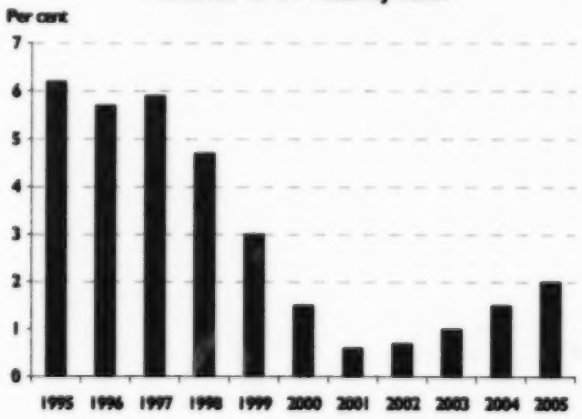
There was a decrease in the number of new rental apartments completed in 2005. At the same time, the number of new renter households increased. Thus, with less new rental stock to accommodate this growth, a larger share of vacant units was filled compared to the past two years.

Large rental apartment buildings experienced the greatest declines in vacancies between 2004 and 2005. The largest vacancy rate declines were experienced in buildings containing 200 or more apartments. Competitive rents and/or investment in renovations in recent years may have been key factors in attracting tenants to larger rental developments.

Montreal:

The vacancy rate in the Montreal CMA increased slightly, from 1.5 per cent in 2004 to 2.0 per cent in 2005. The market continues to move away from the shortage situation that was most acute a few years back when the vacancy rate reached its lowest point of 0.6 per cent in 2001. Even though the market is currently not as tight as it was in recent years, there continues to be upward pressure on average rents. The average rent for a two-bedroom apartment increased by 3.7 per cent in 2005 compared to 3.3 per cent in 2004.

Montreal CMA Vacancy Rate



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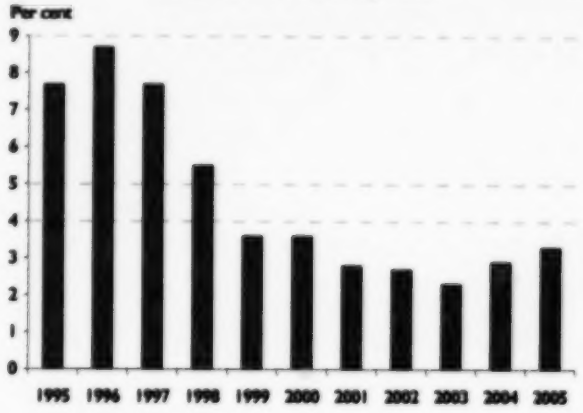
Decreasing rental demand was the primary reason for the rise in the vacancy rate. Low mortgage rates tempted many renter households to buy a home. Many of these buyers turned to condominiums, as the monthly payments are generally comparable to rents charged for upper-range rental dwellings. The two main major rental demand groups are youths (aged 15 to 24) and migrants. A decrease in youth employment over the past year resulted in fewer young people looking for rental dwellings. On the other hand, net migration has remained strong. In fact, the Montreal area alone attracted more than 38,000 immigrants in 2003-2004, with the majority moving into rental dwellings.

Despite increases in rental housing construction compared to previous years, the majority of the units being built are intended for the retirement home market or social housing sector. Nearly fifty per cent of new rental housing units were intended for seniors in 2005. Traditional rental housing starts accounted for the smallest proportion of new rental housing, at less than 25 per cent.

Strong full-time employment and income growth in 2004 coupled with a decline in long-term mortgage rates contributed to the movement into homeownership apparent over the past twelve months. A shift in resale market conditions also played a role in contributing to the movement of renter households into home ownership. This shift to a more balanced market means that there is more choice available for renter households who are looking to buy a home.

Halifax CMA Vacancy Rate



Halifax:

Rental market conditions in the Halifax CMA continued to soften over the past year with the apartment vacancy rate rising to 3.3 per cent this October from 2.9 per cent last October. Average two-bedroom apartment rents rose two per cent between October 2004 and October 2005. Softer demand in the rental market is mainly due to a weakening in youth employment, which has reduced the number of young households moving into apartments while declining long-term mortgage rates have resulted in a greater outflow of tenants to homeownership. However, fewer new apartments were completed, thus moderating the increase in vacant units.

Weakening local labour market conditions for young people have reduced the growth in household formation in this all-important rental demand segment. The decrease in youth employment in the first nine months of 2005 means that fewer young people have secured the financial independence required to move out of the family home and lease an apartment.

Climbing vacancy rates were more prevalent among older buildings. Newer apartments not only boasted lower vacancy rates than older ones, but also showed an actual decline in vacancy for buildings completed in the past five years. However, monthly rents in these new buildings remain approximately 30 per cent above the average market rent.

	VACANCY RATES (%)		AVERAGE RENTS FOR TWO BEDROOM ($)	
	Oct. 2004	Oct. 2005	Oct. 2004	Oct. 2005
Atlantic Region				
St.John's	3.1	4.5	618	634
Halifax	2.9	3.3	747	762
Saint John	5.8	5.7	520	526
Quebec Region				
Gatineau	2.1	3.1	663	660
Montréal	1.5	2.0	594	616
Québec	1.1	1.4	596	621
Saguenay	5.3	4.5	459	472
Sherbrooke	0.9	1.2	495	505
Trois-Rivières	1.2	1.5	457	474
Ontario Region				
Hamilton	3.4	4.3	789	791
Kingston	2.4	2.4	785	807
Kitchener	3.5	3.3	765	811
London	3.7	4.2	758	775
Oshawa	3.4	3.3	852	855
Ottawa	3.9	3.3	940	920
St.Catharines-Niagara	2.6	2.7	722	736
Greater Sudbury	2.6	1.6	655	668
Thunder Bay	5.0	4.6	679	689
Toronto	4.3	3.7	1,052	1,052
Windsor	8.8	10.3	776	780
Prairie Region				
Calgary	4.3	1.6	806	808
Edmonton	5.3	4.5	730	732
Regina	2.7	3.2	602	607
Saskatoon	6.3	4.6	580	584
Winnipeg	1.1	1.7	664	683
British Columbia Region				
Abbotsford	2.8	3.8	684	704
Vancouver	1.3	1.4	984	1,004
Victoria	0.6	0.5	799	837
Total	2.7	2.7		

This Month's Housing Data (SAAR)

	2004	Q2:05	Q3:05	Q4:05	M10:05	M11:05	M12:05
Housing starts, units, 000s							
Canada. Total. All areas	**233.4**	**233.0**	**227.4**	**224.6**	**212.2**	**229.1**	**232.6**
Per cent change from previous period	6.9	9.8	-2.4	-1.2	-7.2	8.0	1.5
Canada. Total. Rural areas	**29.0**	**33.9**	**30.1**	**33.7**	**33.7**	**33.7**	**33.7**
Per cent change from previous period	9.5	21.9	-11.2	12.0	12.0	0.0	0.0
Canada. Total. Urban areas	**204.4**	**199.1**	**197.3**	**190.9**	**178.5**	**195.4**	**198.9**
Per cent change from previous period	6.5	7.9	-0.9	-3.2	-10.1	9.5	1.8
Canada. Single. Urban areas	**103.9**	**97.0**	**91.4**	**94.5**	**91.1**	**94.5**	**97.8**
Per cent change from previous period	3.6	4.3	-5.8	3.4	-5.2	3.7	3.5
Canada. Multiple. Urban areas	**100.5**	**102.1**	**105.9**	**96.4**	**87.4**	**100.9**	**101.1**
Per cent change from previous period	9.7	11.6	3.7	-9.0	-14.7	15.4	0.2
Newfoundland. Total. All areas	**2.9**	**2.3**	**2.6**	**2.4**	**2.5**	**2.2**	**2.7**
Per cent change from previous period	6.6	-23.3	13.0	-7.7	-10.7	-12.0	22.7
Prince Edward Island. Total. All areas	**0.9**	**0.6**	**0.8**	**0.8**	**0.7**	**0.8**	**1.0**
Per cent change from previous period	12.9	-57.1	33.3	0.0	-12.5	14.3	25.0
Nova Scotia. Total. All areas	**4.7**	**5.3**	**4.6**	**4.9**	**4.9**	**5.5**	**4.1**
Per cent change from previous period	-7.4	32.5	-13.2	6.5	28.9	12.2	-25.5
New Brunswick. Total. All areas	**3.9**	**4.1**	**3.9**	**4.2**	**5.7**	**3.5**	**3.5**
Per cent change from previous period	-12.1	20.6	-4.9	7.7	46.2	-38.6	0.0
Quebec. Total. All areas	**58.4**	**51.4**	**50.0**	**49.5**	**49.1**	**49.8**	**49.6**
Per cent change from previous period	16.2	-2.7	-2.7	-1.0	-5.2	1.4	-0.4
Ontario. Total. All areas	**85.1**	**86.9**	**78.5**	**74.7**	**60.0**	**80.4**	**83.7**
Per cent change from previous period	-0.1	19.4	-9.7	-4.8	-15.4	34.0	4.1
Manitoba. Total. All areas	**4.4**	**4.4**	**5.5**	**4.7**	**5.1**	**5.0**	**4.0**
Per cent change from previous period	5.6	4.8	25.0	-14.5	13.3	-2.0	-20.0
Saskatchewan. Total. All areas	**3.8**	**3.4**	**3.8**	**3.6**	**3.6**	**4.1**	**3.2**
Per cent change from previous period	14.1	36.0	11.8	-5.3	-2.7	13.9	-22.0
Alberta. Total. All areas	**36.3**	**42.1**	**40.4**	**43.0**	**42.4**	**43.8**	**42.8**
Per cent change from previous period	0.3	14.7	-4.0	6.4	-10.2	3.3	-2.3
British Columbia. Total. All areas	**32.9**	**32.5**	**37.3**	**36.8**	**38.2**	**34.0**	**38.0**
Per cent change from previous period	25.8	3.2	14.8	-1.3	-2.8	-11.0	11.8

SOURCE: CMHC, Starts and Completions Survey. All data are seasonally adjusted and annualized. This seasonally adjusted data goes through stages of revision at different times through the yearly cycle resulting in finalization of preliminary data. These revisions take place at the end of each month, quarter and year.

Annual rate of housing starts, urban areas*

	2004	Q2:05	Q3:05	Q4:05	M10:05	M11:05	M12:05
Canada	204.4	199.1	197.3	190.9	178.5	195.4	198.9
Newfoundland	2.1	1.6	1.9	1.7	1.8	1.5	2.0
Prince Edward Island	0.6	0.4	0.5	0.5	0.4	0.5	0.7
Nova Scotia	3.3	3.8	3.3	3.2	3.2	3.8	2.4
New Brunswick	2.6	2.8	2.7	2.9	4.4	2.2	2.2
Québec	46.7	40.0	43.0	40.4	40.0	40.7	40.5
Ontario	79.9	79.4	72.8	70.0	55.3	75.7	79.0
Manitoba	2.9	2.7	3.4	2.8	3.2	3.1	2.1
Saskatchewan	3.1	2.8	2.6	2.4	2.4	2.9	2.0
Alberta	32.2	35.9	34.3	34.5	33.9	35.3	34.3
British Columbia	30.9	29.7	32.8	32.5	33.9	29.7	33.7

* Thousands of units, seasonally adjusted and annualized.

This Month's Major Housing Indicators

	2004	Q2:05	Q3:05	Q4:05	M10:05	M11:05	M12:05
New Housing							
New & unoccupied singles & semis, units 000s	5.2	5.5	5.0	5.1	5.1	5.1	5.1
Per cent change from same period previous year	9.3	4.1	-0.7	-9.9	-5.4	-11.3	-12.6
New & unoccupied row & apartments, units 000s	6.7	9.3	9.3	8.5	8.4	8.7	8.6
Per cent change from same period previous year	18.9	54.0	38.4	3.3	5.2	5.1	-0.1
New House Price Index, 1997=100	123.2	128.4	130.1	n.a.	131.7	132.4	n.a.
Per cent change from same period previous year	5.5	4.7	4.7	n.a.	5.4	5.5	n.a.
Existing Housing							
MLS® resales*, units 000s	461.1	491.4	507.2	n.a.	492.9	500.7	n.a.
Per cent change from same period previous year	6.0	2.9	10.1	n.a.	10.1	9.8	n.a.
MLS® average resale price*, $C 000s	226.2	246.3	251.5	n.a.	257.5	254.7	n.a.
Per cent change from same period previous year	9.2	8.8	11.4	n.a.	11.6	9.2	n.a.
Mortgage Market							
1-Year Mortgage Rate, % (period average)	4.80	4.75	5.00	5.80	5.25	5.60	5.80
5-Year Mortgage Rate, % (period average)	6.05	5.70	5.80	6.30	6.00	6.15	6.30

SOURCES: CMHC, Statistics Canada, Bank of Canada, The Canadian Real Estate Association.

n.a. Figures not available

* Seasonally adjusted and annualized (SAAR).

** Annual and quarterly data is actual. Monthly data is seasonally adjusted.

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FEBRUARY 2006

Canadian Market Overview

New Home Market

Residential construction off to a great start in 2006

The seasonally adjusted annual rate[1] of housing starts was 248,100 units in January, up from 232,600 units in December.

The high number of housing starts in January reflects continued strong demand for homeownership which is also evident in the high level of existing home sales over the latter half of 2005. Single home starts were particularly strong, as they registered their highest level since January 1990. Despite the high level of housing starts in January, activity is expected to moderate in 2006 compared to 2005, as strong house price growth and modest increases in mortgage rates boost mortgage carrying costs and contribute to easing demand for both existing and new homes.

continued on page 2...

In this Issue:

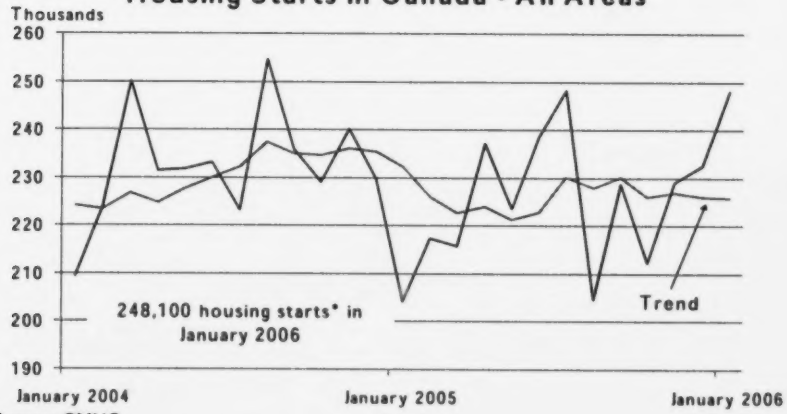
Canadian Market Overview ---------- 1

Positive interprovincial migration bodes well for housing markets in Western Canada ---------- 4

Tables:

Starts Statistics ---------- 7

Housing Starts in Canada - All Areas*



Source: CMHC

*Seasonally adjusted at annual rates

Monthly housing starts numbers published in Housing Now Canada are final and may differ from the preliminary numbers in the starts press release

[1] All starts figures, other than actual starts, are seasonally adjusted annual rates (SAAR) that are monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels.

Canada

CMHC SCHL

HOME TO CANADIANS

Both urban single and multiple starts rose in January

The seasonally adjusted annual rate of urban starts rose 8.3 per cent to 215,500 units with increases in both single and multiple starts. Multiple starts increased by 2.4 per cent to 103,500 units and single starts jumped 14.5 per cent to 112,000 units in January compared to December.

Urban starts increased in all regions except British Columbia

Urban housing starts were up across all regions except for British Columbia in January. In the Atlantic region, unseasonably warm weather and a high level of activity in the volatile multiple segment have pushed the seasonally adjusted annual rate of urban starts up by an impressive 79.5 per cent to 13,100 units. Urban starts rose by 9.9 per cent to 86,800 units in Ontario, 6.2 per cent to 43,000 units in Quebec, and 6.0 per cent to 40,700 units in the Prairies. Urban starts were down 5.3 per cent to 31,900 units in British Columbia.

Rural starts in January were estimated at a seasonally adjusted annual rate of 32,600 units.

Actual urban starts in January were up significantly compared to a year ago

For the first month of the year, actual urban starts were 23.2 per cent higher than in January 2005. Single starts increased 26.8 per cent and multiple starts rose 19.9 per cent compared to a year ago.

New house prices in December remain strong

The year-over-year increase in the price of new homes, as measured by the New Housing Price index (NHPI), was 5.9 per cent in December 2005, up from 5.5 per cent in November 2005. Higher building material and labour costs were the biggest contributors to the increase in the NHPI.

Existing Home Market

Despite a drop in December, MLS® sales set a new record in 2005

Seasonally adjusted MLS® (Multiple Listings Service) sales fell to 40,226 units in December, down 2.4 per cent from 41,211 units in November.

Despite the decline, actual MLS® sales for 2005 increased 4.9 per cent to 483,250 units compared to 460,791 units in 2004. Two thousand and five marked the fourth consecutive year in which MLS® sales established a new annual record, thanks to low interest rates, healthy labour markets, and steady income growth.

MLS® new listings up in December and finish 2005 on a strong note

Seasonally adjusted MLS® new listings rose to 64,229 units in December, up 1.1 per cent from 63,506 units in the previous month.

758,376 new listings were registered in 2005, an increase of 4.6 per cent compared to 2004. This is the highest level of new listings in 26 years.

Sellers' market continues to support rising house prices

Sources: CMHC, Canadian Real Estate Board (CREA), MLS®

continued on page 3...

Sellers' market conditions across Canada continue to support strong growth in house prices

An indicator of price pressure in the existing home market is the sales-to-new-listings ratio[1]. New listings are a gauge of supply of existing homes, while MLS® sales are a proxy for demand.

The sales-to-new-listings ratio for Canada remained in sellers' market territory in December, at about 63 per cent. On an annual basis, the sales-to-new-listings ratio for Canada was 64 per cent in 2005. As a result, the Canada-wide average MLS® price increased by 10.2 per cent in 2005 compared to the previous year.

Economic conditions

In January, 26,000 jobs were created, an increase of 1.7 per cent compared to a year ago. Nevertheless, the unemployment rate inched higher by 0.1 of a percentage point to 6.6 per cent as more people entered the labour force to search for work.

In January 2006, the seasonally adjusted employment-to-population ratio remained unchanged from December 2005 at 62.7per cent, which is only marginally below the historic peak of 62.8 per cent. In other words, a near record share of Canadians are employed, which is supporting high levels of consumer confidence and strong demand for housing.

The Bank of Canada raised its target for the overnight lending rate by a quarter of a percentage point to 3.5 per cent on January 24th following similar moves on December 6th, October 18th, and September 7th. With the economy operating close to full capacity, the gradual reduction in monetary stimulus will help to prevent rising inflationary pressures. Nevertheless, monetary conditions remain stimulative.

In January, the price of goods and services included in the Consumer Price Index (CPI) basket increased 2.8 per cent compared to January 2005. The increase was mainly due to higher gasoline and natural gas prices, purchase and leasing of automotive vehicles, and homeowners' replacement costs. These increases were restrained by lower prices for computer equipment and supplies, for insurance premiums for automotive vehicles and for traveller accommodation. ■

[1] Taking the Canadian market as a whole, a sales-to-new-listings ratio below 35 per cent has historically accompanied prices that are rising at a rate that is less than inflation, a situation known as a *buyers' market*. A sales-to-new-listings ratio above 50 per cent is associated with a *sellers' market*. In a sellers' market, home prices generally rise more rapidly than overall inflation. When the sales-to-new-listings ratio is between these thresholds, the market is said to be *balanced*.

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Product # 63830-2006-02

Positive interprovincial migration bodes well for housing markets in Western Canada

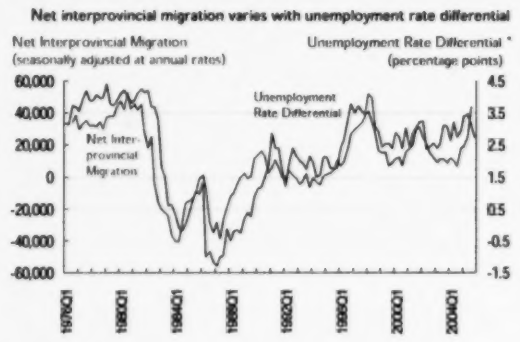
While economic opportunities will attract interprovincial migrants, high house prices can dampen the effect.

Canada's aging population is resulting in fewer people in their child bearing years and hence, a slower birth rate. The natural increase of the population (births minus deaths) is slowing, and the majority of population growth in recent years has been due to increases in net migration. Population growth is an important driver of household formation and thus housing demand. The majority of international migrants settle in Toronto, Vancouver, and Montreal. At the provincial level, net migration also includes Canadians that move from one province to another. This interprovincial migration is an important source of population growth for certain provinces.

Economic fortunes across Canada can vary significantly over time. A tight labour market in one region tends to attract job seekers from regions where labour market conditions are less positive. Thus, a key driver of interprovincial migration is the relative strength of provincial labour markets (see Figures 1 and 2 for Alberta and Ontario and page 6 for other regions in Canada). These flows can represent a significant gain or loss to provincial populations and thus are an important driver of housing demand. Although there are factors other than relative economic opportunities that influence inter-provincial migration flows, many of these do not vary significantly in the short run. Some other factors include quality of life, as well as weather, ethnic, and linguistic considerations.

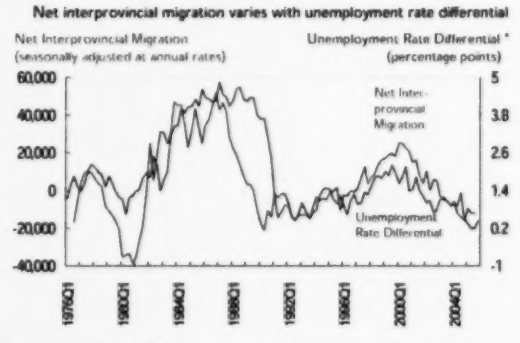
Potential migrating households will need to find accommodations in their new province. Relative shelter costs can impact the decision to move as more attractive employment conditions may also be accompanied by significantly different shelter costs. If both relative economic conditions and shelter costs are favourable, a move may allow a renter household to enter the home ownership market. Conversely, if there are significantly higher shelter costs,

Figure 1: Alberta's Economy is a People Magnet



Source: Statistics Canada, CMHC

Figure 2: Ontario's Fortunes Slip



Source: Statistics Canada, CMHC

see page 6 for other regions in Canada

continued on page 5...

* Unemployment rate differencial = the unemployment rate in the rest of Canada (excluding home province) minus the Unemployment Rate in home province
When the unemployment rate in a given province is low relative to the rest of Canada, the employment differential for that province is large. Hence, the unemployment rate differential will be positively correlated to interprovincial migration.

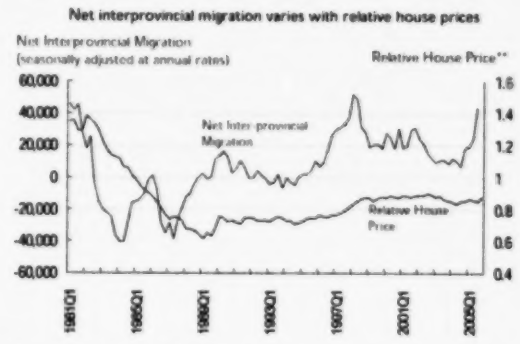
moving to the new region could result in a downsizing or move from ownership to rental accommodation.

During periods of high interprovincial net migration, the resulting increase in housing demand drives the price of homes higher. This situation can continue until a threshold is reached such that the higher cost of shelter becomes a deterrent to potential migrants (see Figures 3 and 4). When the gap in the relative cost of housing widens too much, it can offset the economic opportunities and net migration will decline despite the regional economic advantages. Hence, economic opportunities will attract interprovincial migrants, but high house prices can dampen the effect.

Some of the migrating households will turn to the new home market to meet their housing needs, others will buy an existing home, and some will rent. High migration not only stimulates demand for housing, but also increases business opportunities for those involved in the residential real estate industry such as, moving companies, real estate agents, lawyers, etc.

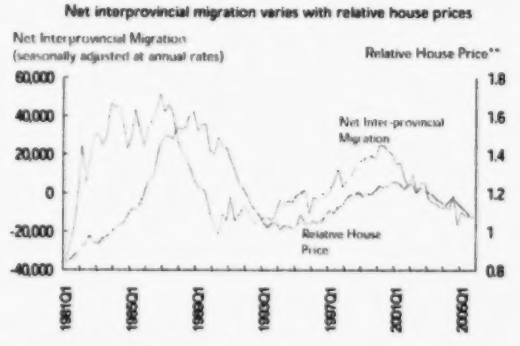
There is a statistically identifiable relationship between the relative unemployment rate and inter-provincial migration. A relatively low unemployment rate in a province is indicative of better economic opportunity. For a given province, net interprovincial migration tends to increase as the relative economic opportunities increase. For example, a one percentage point improvement in Alberta's relative unemployment rate would result in an additional 11,000 interprovincial migrants, while a one percentage point decline in Ontario's relative unemployment rate would result in 10,000 fewer interprovincial migrants. Thus, cyclical provincial economic fortunes are reflected in the interprovincial migration variations. ■

Figure 3: House Prices Impact Alberta Migration



Source: Statistics Canada, CREA, CMHC

Figure 4: Ontario House Price and Migration

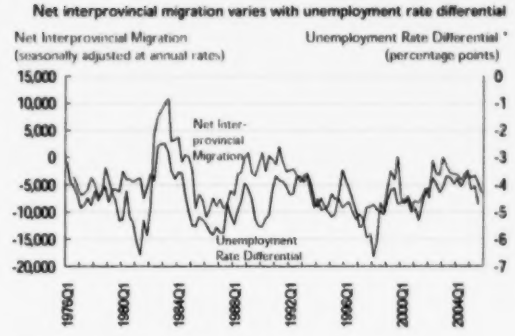


Source: Statistics Canada, CREA, CMHC

**Relative house price = MLS price in the home province divided by the MLS price in the rest of Canada (excluding home province), or
When prices are rising more rapidly in the home province compared to the rest of Canada, the ratio increases. Relative prices rise with strong interprovincial migration, but a high relative price will discourage migration as shelter cost become prohibitive.

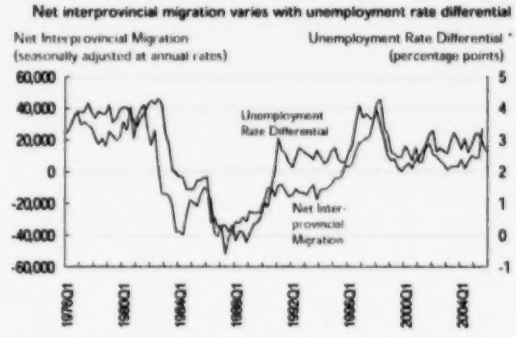
Net interprovincial migration and relative unemployment rate for Atlantic Canada, the Prairie provinces, Québec and British Columbia

Atlantic Canada



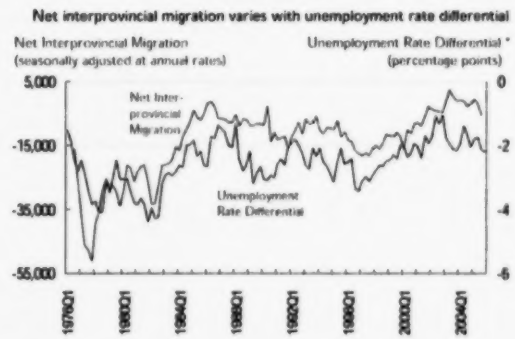
Source: Statistics Canada, CMHC

Prairie Provinces



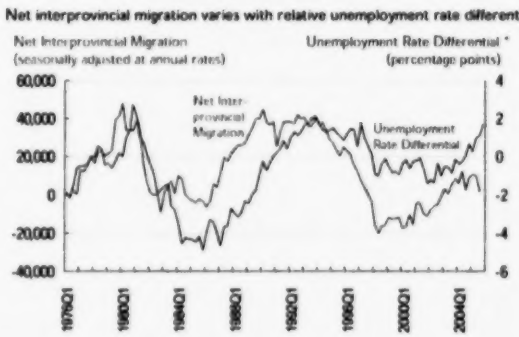
Source: Statistics Canada, CMHC

Quebec



Source: Statistics Canada, CMHC

British Columbia



Source: Statistics Canada, CMHC

* Unemployment rate differencial = the unemployment rate in the rest of Canada (excluding home province) minus the Unemployment Rate in home province

When the unemployment rate in a given province is low relative to the rest of Canada, the employment differential for that province is large. Hence, the unemployment rate differential will be positively correlated to interprovincial migration.

This Month's Housing Data (SAAR)

	2005	Q2:05	Q3:05	Q4:05	M11:05	M12:05	M01:06
Housing starts, units, 000s							
Canada. Total. All areas	**225.5**	**233.0**	**227.4**	**224.6**	**229.1**	**232.6**	**248.1**
Per cent change from previous period	-3.4	9.8	-2.4	-1.2	8.0	1.5	6.7
Canada. Total. Rural areas	**32.0**	**33.9**	**30.1**	**33.7**	**33.7**	**33.7**	**32.6**
Per cent change from previous period	10.2	21.9	-11.2	12.0	0.0	0.0	-3.3
Canada. Total. Urban areas	**193.5**	**199.1**	**197.3**	**190.9**	**195.4**	**198.9**	**215.5**
Per cent change from previous period	-5.3	7.9	-0.9	-3.2	9.5	1.8	8.3
Canada. Single. Urban areas	**94.0**	**97.0**	**91.4**	**94.5**	**94.5**	**97.8**	**112.0**
Per cent change from previous period	-9.5	4.3	-5.8	3.4	3.7	3.5	14.5
Canada. Multiple. Urban areas	**99.5**	**102.1**	**105.9**	**96.4**	**100.9**	**101.1**	**103.5**
Per cent change from previous period	-1.0	11.6	3.7	-9.0	15.4	0.2	2.4
Newfoundland. Total. All areas	**2.5**	**2.3**	**2.6**	**2.4**	**2.2**	**2.7**	**2.6**
Per cent change from previous period	-13.0	-23.3	13.0	-7.7	-12.0	22.7	-3.7
Prince Edward Island. Total. All areas	**0.9**	**0.6**	**0.8**	**0.8**	**0.8**	**1.0**	**2.3**
Per cent change from previous period	-6.2	-57.1	33.3	0.0	14.3	25.0	130.0
Nova Scotia. Total. All areas	**4.8**	**5.3**	**4.6**	**4.9**	**5.5**	**4.1**	**7.0**
Per cent change from previous period	1.2	32.5	-13.2	6.5	12.2	-25.5	70.7
New Brunswick. Total. All areas	**4.0**	**4.1**	**3.9**	**4.2**	**3.5**	**3.5**	**5.2**
Per cent change from previous period	0.3	20.6	-4.9	7.7	-38.6	0.0	48.6
Quebec. Total. All areas	**50.9**	**51.4**	**50.0**	**49.5**	**49.8**	**49.6**	**51.7**
Per cent change from previous period	-12.9	-2.7	-2.7	-1.0	1.4	-0.4	4.2
Ontario. Total. All areas	**78.8**	**86.9**	**78.5**	**74.7**	**80.4**	**83.7**	**92.4**
Per cent change from previous period	-7.4	19.4	-9.7	-4.8	34.0	4.1	10.4
Manitoba. Total. All areas	**4.7**	**4.4**	**5.5**	**4.7**	**5.0**	**4.0**	**4.8**
Per cent change from previous period	6.6	4.8	25.0	-14.5	-2.0	-20.0	20.0
Saskatchewan. Total. All areas	**3.4**	**3.4**	**3.8**	**3.6**	**4.1**	**3.2**	**4.5**
Per cent change from previous period	-9.1	36.0	11.8	-5.3	13.9	-22.0	40.6
Alberta. Total. All areas	**40.8**	**42.1**	**40.4**	**43.0**	**43.8**	**42.8**	**41.8**
Per cent change from previous period	12.6	14.7	-4.0	6.4	3.3	-2.3	-2.3
British Columbia. Total. All areas	**34.7**	**32.5**	**37.3**	**36.8**	**34.0**	**38.0**	**35.7**
Per cent change from previous period	5.3	3.2	14.8	-1.3	-11.0	11.8	-6.1

SOURCE: CMHC, Starts and Completions Survey. All data are seasonally adjusted and annualized. This seasonally adjusted data goes through stages of revision at different times through the yearly cycle resulting in finalization of preliminary data. These revisions take place at the end of each month, quarter and year.

Annual rate of housing starts, urban areas*

	2005	Q2:05	Q3:05	Q4:05	M11:05	M12:05	M01:06
Canada	193.5	199.1	197.3	190.9	195.4	198.9	215.5
Newfoundland	1.8	1.6	1.9	1.7	1.5	2.0	1.9
Prince Edward Island	0.6	0.4	0.5	0.5	0.5	0.7	1.9
Nova Scotia	3.3	3.8	3.3	3.2	3.8	2.4	5.4
New Brunswick	2.7	2.8	2.7	2.9	2.2	2.2	3.9
Québec	41.3	40.0	43.0	40.4	40.7	40.5	43.0
Ontario	73.2	79.4	72.8	70.0	75.7	79.0	86.8
Manitoba	2.9	2.7	3.4	2.8	3.1	2.1	2.7
Saskatchewan	2.5	2.8	2.6	2.4	2.9	2.0	3.7
Alberta	34.3	35.9	34.3	34.5	35.3	34.3	34.3
British Columbia	31.1	29.7	32.8	32.5	29.7	33.7	31.9

* Thousands of units, seasonally adjusted and annualized.

This Month's Major Housing Indicators

	2005	Q2:05	Q3:05	Q4:05	M11:05	M12:05	M01:06
New Housing							
New & unoccupied singles & semis, units 000s	5.3	5.5	5.0	5.1	5.1	5.1	5.0
Per cent change from same period previous year	1.2	4.1	-0.7	-9.9	-11.3	-12.6	-11.2
New & unoccupied row & apartments, units 000s	9.0	9.3	9.3	8.5	8.7	8.6	8.0
Per cent change from same period previous year	33.6	54.0	38.4	3.3	5.1	-0.1	-6.1
New House Price Index, 1997=100	129.4	128.4	130.1	132.4	132.4	133.2	n.a.
Per cent change from same period previous year	5.0	4.7	4.7	5.6	5.5	5.9	n.a.
Existing Housing							
MLS® resales*, units 000s	483.3	488.9	500.6	488.3	494.5	482.7	n.a.
Per cent change from same period previous year	4.9	3.3	10.0	7.9	8.7	6.2	n.a.
MLS® average resale price*, $C 000s	249.3	247.4	251.4	257.4	255.3	259.2	n.a.
Per cent change from same period previous year	10.2	9.5	11.5	10.3	9.2	9.5	n.a.
Mortgage Market							
1-Year Mortgage Rate, % (period average)	5.06	4.83	4.97	5.55	5.60	5.80	5.80
5-Year Mortgage Rate, % (period average)	5.99	5.90	5.80	6.15	6.15	6.30	6.30

SOURCES: CMHC, Statistics Canada, Bank of Canada, The Canadian Real Estate Association.

n.a. Figures not available

* Seasonally adjusted and annualized (SAAR).

** Annual and quarterly data is actual. Monthly data is seasonally adjusted.

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MARCH 2006

Canadian Market Overview

New Home Market

Starts continue at a strong pace in February

The seasonally adjusted annual rate[1] of housing starts was 240,900 units in February, down from 248,100 units in January.

Despite the modest decline, the rate of housing starts in February continued to be very strong. However, activity is expected to moderate over the course of 2006. Rising house prices and modest mortgage rate increases will boost mortgage carrying costs and contribute to a softening of demand for both existing and new homes.

Both urban single and multiple starts fell in February

In February, the seasonally adjusted annual rate of urban starts fell 3.3 per cent to

continued on page 2...

In this Issue:

Canadian Market Overview ---------- 1

Residential mortgage credit up ---------- 4

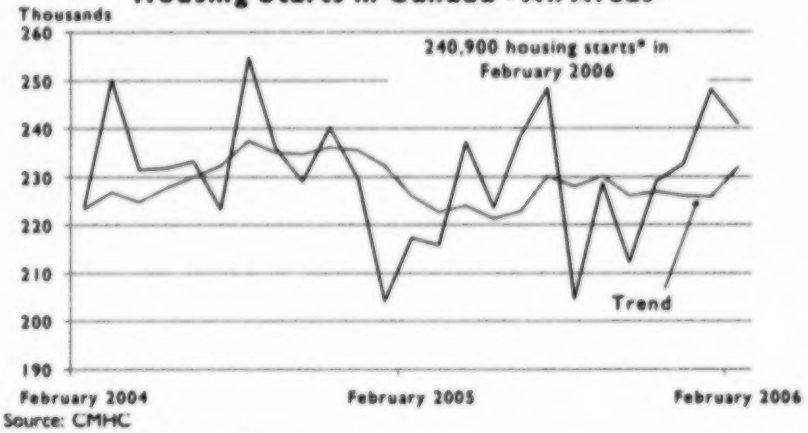
Mortgage Lending Statistics ---------- 5

Canada's hottest housing market in 2005 ---------- 7

Starts Statistics ---------- 8

NHA MBS Statistics ---- 10

Housing Starts in Canada - All Areas*



Source: CMHC

*Seasonally adjusted at annual rates

Monthly housing starts numbers published in Housing Now Canada are final and may differ from the preliminary numbers in the starts press release

[1] All starts figures, other than actual starts, are seasonally adjusted annual rates (SAAR) that are monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels.

Canada

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HOME TO CANADIANS

208,300 units compared to the previous month. Urban multiple starts eased by 2.0 per cent to 101,400 units and single starts fell 4.6 per cent to 106,900 units in February compared to January.

Urban starts increased in western Canada

The vibrant economy in western Canada propelled starts higher in both British Columbia and the Prairies. Urban housing starts in the Prairies were up 11.5 per cent in February to 45,400 units while in British Columbia they surged 22.6 per cent to a seasonally adjusted annual rate of 39,100 units. In the rest of the country urban housing starts were down in February compared to a month ago . The sharpest declines were in the Atlantic region and Ontario where urban starts fell 16.8 per cent to 10,900 units and 15.1 per cent to 73,700 units, respectively. In Quebec, starts were down 8.8 per cent to 39,200 units.

Rural starts in February were estimated at a seasonally adjusted annual rate of 32,600 units.

Year-to-date actual urban starts are higher than in the same period last year

For the first two months of the year, actual urban starts were 17.7 per cent higher than in the same period in 2005. Year-to-date in 2006, single starts increased 21.9 per cent and multiple starts rose 14.0 per cent compared to the same period last year.

Across the regions, on a year-to-date basis, actual urban starts were up in the Atlantic (63.9 per cent), British Columbia (33.5 per cent),the Prairies (26.7 per cent), and Ontario (14.8 per cent), but were down in Quebec (5.0 per cent).

New house prices remained strong in January

The year-over-year increase in the price of new homes, as measured by the New Housing Price index (NHPI), was 6.6 per cent in January 2006, up from 5.9 per cent in December 2005. Higher building material and labour costs, as well as increasing land values contributed to the increase in house prices.

Existing Home Market

MLS® sales up in January

For the first month of the year, actual MLS® (Multiple Listings Service) actual sales were up 15.0 per cent to 26,988 from the same period in 2005. In 2005, MLS® sales reached a new record level for the fifth consecutive year. Low interest rates, healthy labour markets, and steady income growth helped boost MLS® sales to 483,233 units in 2005.

MLS® new listings rise

Actual new listings were up 12.2 per cent in January 2006 over the same period in 2005.

New listings grew 4.4 per cent and etablished a new record of 757,241 units in 2005

Sellers' market continues to support rising house prices

Data are seasonally adjusted and annualized
Sources: CMHC, Canadian Real Estate Board (CREA), MLS®

continued on page 3...

Sellers' market conditions across Canada continue to support strong growth in house prices

An indicator of price pressure in the existing home market is the sales-to-new-listings ratio[1]. New listings are a gauge of supply of existing homes, while MLS® sales are a proxy for demand.

The sales-to-new-listings ratio for Canada remained in sellers' market territory in January, at about 64 per cent. As a result, the average MLS® price was 12.7 per cent higher in January 2006 compared to the same period the previous year.

Economic conditions

In February, employment increased by 25,000 jobs. Strong growth in part-time employment (56,300 jobs) contributed to the gain in February, while full-time employment fell (-31,600 jobs).

The unemployment rate edged down by 0.2 percentage point to 6.4 per cent in February, the lowest rate in over three decades .

[1] Taking the Canadian market as a whole, a sales-to-new-listings ratio below 35 per cent has historically accompanied prices that are rising at a rate that is less than inflation, a situation known as a *buyers' market*. A sales-to-new-listings ratio above 50 per cent is associated with a *sellers' market*. In a sellers' market, home prices generally rise more rapidly than overall inflation. When the sales-to-new-listings ratio is between these thresholds, the market is said to be *balanced*.

Employment in February 2006 was up 1.7 per cent compared to a year ago.

The seasonally adjusted employment-to-population ratio remains close to historical peak levels. In other words, a near record share of Canadians are employed, which is supporting high levels of consumer confidence and strong demand for housing.

The Bank of Canada raised its target for the overnight lending rate by a quarter of a percentage point to 3.75 per cent on March 7th following similar moves on January 24th, December 6th, October 18th, and September 7th. With the economy operating close to full capacity, the gradual reduction in monetary stimulus will help to prevent rising inflationary pressures. Nevertheless, monetary conditions remain stimulative.

In February, the price of goods and services included in the Consumer Price Index (CPI) basket increased 2.2 per cent compared to February 2005. The increase was mainly due to the higher cost of gasoline, purchase and leasing of automotive vehicles, natural gas, and homeowners' replacement costs. These increases were restrained by a drop in insurance premiums for automotive vehicles, as well as lower prices for computer equipment and supplies, and for women's clothing.

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Product # 63830-2006-03

MORTGAGE LENDING

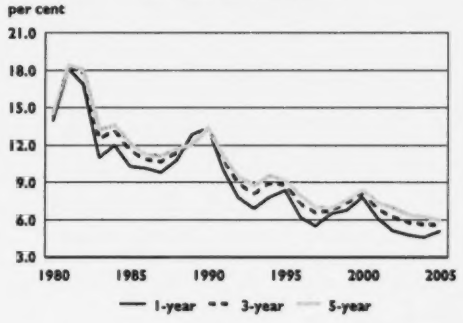
RESIDENTIAL MORTGAGE CREDIT UP

By: Ali Manouchehri, Senior Economist, Capital Markets

Residential mortgage credit grew 10.0 per cent in the fourth quarter of 2005 compared to the same quarter in 2004 to surpass $651 billion due to low mortgage rates and active housing markets.

Rising but low mortgage rates, robust employment growth, and income gains contributed to high levels of home construction, existing home sales, and renovation spending. As a result, growth in mortgage credit was healthy in the final quarter of 2005.

Mortgage rates edged up but are still low by historical standards



Sources: Bank of Canada, Statistics Canada, CMHC

A vibrant market for existing homes

Mortgage rates edged higher in the fourth quarter of 2005. The increase ranged from 0.25 to 0.75 of a percentage point, depending on the term. Despite the increase, mortgage rates remained low by historical standards.

The value of homes sold through MLS[1] edged up 0.5 per cent in the fourth quarter of 2005 over the previous quarter due to a combination of higher average house price and fewer units sold. However, for the year 2005 as a whole, the value of sales advanced by over 15.0 per cent compared to 2004 because of both rising sales and prices.

Price and number of housing starts play a major role in growth of mortgage credit

Sources: Bank of Canada, Statistics Canada

Housing starts softened in the fourth quarter but prices continued to rise

Despite easing home building in the fourth quarter of 2005 compared to the previous quarter, prices continued to rise. In the fourth quarter, seasonally adjusted annual housing starts of 224,600 units were 1.2 per cent lower than in the third quarter. At the same time, the New House Price Index rose 1.8 per cent. For 2005 as a whole, the market witnessed a 3.4 per cent decline in housing starts, a 2.0 per cent fall in the number of units completed, but a 5.0 per cent increase in the New House Price Index.

[1] Multiple Listing Service (MLS) is a registered certification marked owned by the Canadian Real Estate Association

The solid performance in housing markets led to higher mortgage credit

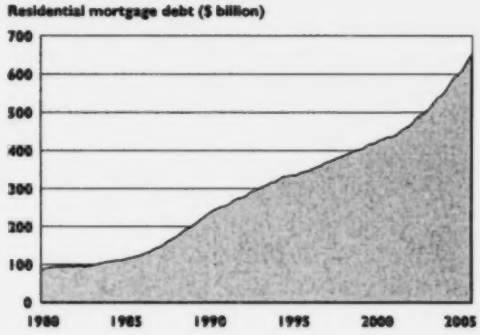
The strength in the housing market led to an increase of 2.9 per cent in mortgage credit outstanding in the fourth quarter of 2005 over the previous quarter. This raised residential mortgage debt by 10.0 per cent in the fourth quarter of this year relative to the same period in 2004.

Although mortgage debt grew in the fourth quarter of 2005, it accounted for 68.1 per cent of household debt, compared to 73.0 per cent a decade ago.

The share of mortgage credit by type of institution was stable

Chartered banks accounted for 72.3 per cent of the residential mortgage loans outstanding in the fourth quarter of 2005 followed by credit unions at 16.4 per cent. These shares are little changed from 72.6 and 15.9 per cent a year earlier.

Residential mortgage debt has increased more than five-fold since 1980



Sources: Bank of Canada, Statistics Canada, CMHC

MARKET SHARE OF RESIDENTIAL MORTGAGE CREDIT (%) *

	Q4:04	Q1:05	Q2:05	Q3:05	Q4:05e
Banks	72.6	72.5	72.4	72.4	72.3
Trusts	1.4	1.5	1.5	1.5	1.5
Caisse & Cr. Unions	15.9	16.0	16.1	16.2	16.4
Life Ins. Co.	3.1	3.0	2.9	2.8	2.7
Pension Funds	2.0	2.0	2.0	2.0	2.0
Others **	5.1	5.1	5.1	5.0	5.0

* Excludes Special Purpose Vehicles and NHA MBS
** Includes non-depository credit intermediaries
e: estimate

Sources: CMHC, Bank of Canada, Statistics Canada

INDICATORS OF MORTGAGE LENDING ACTIVITY

MORTGAGE CREDIT OUTSTANDING ($MILLIONS)*

	2003	2004	2005	Q4:04	Q1:05	Q2:05	Q3:05	Q4:05e
Banks	329,679	352,527	378,166	365,828	367,406	372,115	383,522	389,619
Trusts	5,987	6,775	7,874	7,106	7,413	7,807	8,074	8,201
Caisse & Cr. Unions	69,143	76,624	84,543	79,878	80,995	82,868	85,899	88,410
Life Ins. Co.	15,781	15,421	14,935	15,462	15,297	14,946	14,751	14,746
Pension Funds	9,133	9,616	10,587	9,998	10,141	10,392	10,770	11,045
Others **	24,351	25,365	26,406	25,640	25,772	26,053	26,672	27,124
Special Purpose Vehicles	14,581	13,724	14,749	13,565	13,635	14,230	14,937	16,195
NHA MBS ***	49,850	68,471	86,979	74,884	79,777	83,841	88,265	96,032
TOTAL	518,504	568,523	624,238	592,361	600,436	612,251	632,892	651,373
% change (year-over-year)	8.1	9.6	9.8	10.1	9.9	9.6	9.7	10.0

* Average for the period, unadjusted
e: estimate
** Includes non-depository credit intermediaries
*** CMHC

Sources: CMHC, Bank of Canada, Statistics Canada

MORTGAGE RATES (%)*

	2003	2004	2004	Q4:04	Q1:05	Q2:05	Q3:05	Q4:05
1-year	4.84	4.59	5.06	4.90	4.88	4.83	4.97	5.55
3-year	5.82	5.65	5.59	5.75	5.68	5.52	5.40	5.75
5-year	6.39	6.23	5.99	6.25	6.12	5.90	5.80	6.15

* Average of period

Sources: CMHC, Bank of Canada, Statistics Canada

NHA AND CONVENTIONAL MORTGAGE LOANS APPROVED*

		2003	2004	Q2:04	Q3:04	Q4:04	Q1:05	Q2:05
By Type of Lender								
Banks	$ millions	114,364	132,202	41,581	34,440	27,048	29,341	41,330
	Units	878,923	950,069	302,485	241,374	193,243	198,030	275,078
Trusts	$ millions	4,083	5,633	1,720	1,415	1,099	1,440	1,408
	Units	37,580	44,242	13,287	10,986	8,348	11,554	9,798
Life Ins. & Others	$ millions	19,441	23,660	7,264	5,584	4,875	6,196	8,099
	Units	192,766	223,579	70,044	51,919	44,633	53,609	67,706
TOTAL	$ millions	137,888	161,495	50,565	41,439	33,022	36,977	50,837
	Units	1,109,269	1,217,890	385,816	304,279	246,224	263,193	352,582

Source: CMHC NHA loan approval system and Conventional Lending Survey

* Mortgage approval data are gross and may not fully capture lending activities of credit unions, caisses populaires, other smaller institutions and privately-insured loans in some areas.

CANADA'S HOTTEST HOUSING MARKETS IN 2005

Strong economic opportunities and positive net interprovincial migration enabled housing markets in British Columbia and Alberta to outperform the rest of Canada.

Housing demand boosted by strong economic fundamentals in the West

British Columbia's housing markets were driven by growth in the economy and a strong labour market. British Columbia led the nation in job growth in 2005 at 3.3 per cent. Wages and salaries in British Columbia were up 6.1 per cent in 2005, ahead of the 5.4 per cent gain in Canada. Non-residential construction was strong due to infrastructure, commercial and institutional building, including projects related to the 2010 Winter Olympic Games. Global demand for commodities such as copper and coal fuelled growth in the mining sector. The province's population is expanding as more people move to British Columbia than leave for other places. The province added approximately 37,000 net migrants in the first three quarters of 2005.

Positive economic conditions and strong net migration were also the dominant forces fuelling demand in Alberta's housing market in 2005. Booming energy prices have resulted in massive investment in Alberta's energy sector, thereby boosting Alberta's economic growth. Alberta's low unemployment rate and healthy economic opportunities supported strong interprovincial migration flows. For the first three quarters of 2005, net interprovincial migration added nearly 25,000 people to Alberta's population. Alberta recorded 1.5 per cent employment growth in 2005 as job gains were somewhat constrained by shortages of skilled labour.

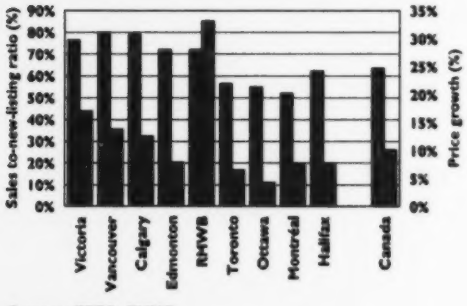
The rest of Canada (excluding British Columbia and Alberta) recorded just over one per cent employment growth in 2005 and lost around 30,000 people to the two western most provinces. This slower employment growth and population drain dampened local housing markets.

Hot markets lead to price gains

The sales-to-new-listings ratio is an indicator of the relative balance between demand and supply in the existing home market. In markets where sales are high relative to new listings, potential buyers have less choice and typically have less bargaining power. For Canada as a whole, a sales-to-new-listings ratio above 50 % is associated with rapidly rising prices – a "sellers' market", although this threshold does vary from market to market.

With most of the existing home markets in Canada firmly within sellers' market territory in 2005, the average MLS® price increased by 10.2 per cent in 2005. The strongest MLS® price growth was in Western Canada, with British Columbia and all three Prairie provinces recording increases above the national average. Across the major markets in Canada, the housing markets with the strongest price growth were in Victoria (17.1 per cent), Vancouver (13.9 per cent), and Calgary (12.6 per cent). The Regional Municipality of Wood Buffalo (RMWB) is particularly noteworthy as multi-billion dollar investment in Alberta's oil sands heated up the local real estate market. Price growth in central and eastern Canada's existing home markets was more subdued in 2005, 6.6 per cent in Toronto, 4.3 per cent Ottawa, 7.8 per cent in Montreal and 7.6 per cent in Halifax.

Markets Hottest in the West



Sources: CREA, CMHC

This Month's Housing Data (SAAR)

	2005	Q2:05	Q3:05	Q4:05	M12:05	M01:06	M02:06
Housing starts, units, 000s							
Canada. Total. All areas	**225.5**	**233.0**	**227.4**	**224.6**	**232.6**	**248.1**	**240.9**
Per cent change from previous period	-3.4	9.8	-2.4	-1.2	1.5	6.7	-2.9
Canada. Total. Rural areas	**32.0**	**33.9**	**30.1**	**33.7**	**33.7**	**32.6**	**32.6**
Per cent change from previous period	10.2	21.9	-11.2	12.0	0.0	-3.3	0.0
Canada. Total. Urban areas	**193.5**	**199.1**	**197.3**	**190.9**	**198.9**	**215.5**	**208.3**
Per cent change from previous period	-5.3	7.9	-0.9	-3.2	1.8	8.3	-3.3
Canada. Single. Urban areas	**94.0**	**97.0**	**91.4**	**94.5**	**97.8**	**112.0**	**106.9**
Per cent change from previous period	-9.5	4.3	-5.8	3.4	3.5	14.5	-4.6
Canada. Multiple. Urban areas	**99.5**	**102.1**	**105.9**	**96.4**	**101.1**	**103.5**	**101.4**
Per cent change from previous period	-1.0	11.6	3.7	-9.0	0.2	2.4	-2.0
Newfoundland. Total. All areas	**2.5**	**2.3**	**2.6**	**2.4**	**2.7**	**2.6**	**3.4**
Per cent change from previous period	-13.0	-23.3	13.0	-7.7	22.7	-3.7	30.8
Prince Edward Island. Total. All areas	**0.9**	**0.6**	**0.8**	**0.8**	**1.0**	**2.3**	**1.9**
Per cent change from previous period	-6.2	-57.1	33.3	0.0	25.0	130.0	-17.4
Nova Scotia. Total. All areas	**4.8**	**5.3**	**4.6**	**4.9**	**4.1**	**7.0**	**5.9**
Per cent change from previous period	1.2	32.5	-13.2	6.5	-25.5	70.7	-15.7
New Brunswick. Total. All areas	**4.0**	**4.1**	**3.9**	**4.2**	**3.5**	**5.2**	**3.7**
Per cent change from previous period	0.3	20.6	-4.9	7.7	0.0	48.6	-28.8
Quebec. Total. All areas	**50.9**	**51.4**	**50.0**	**49.5**	**49.6**	**51.7**	**47.9**
Per cent change from previous period	-12.9	-2.7	-2.7	-1.0	-0.4	4.2	-7.4
Ontario. Total. All areas	**78.8**	**86.9**	**78.5**	**74.7**	**83.7**	**92.4**	**79.3**
Per cent change from previous period	-7.4	19.4	-9.7	-4.8	4.1	10.4	-14.2
Manitoba. Total. All areas	**4.7**	**4.4**	**5.5**	**4.7**	**4.0**	**4.8**	**4.6**
Per cent change from previous period	6.6	4.8	25.0	-14.5	-20.0	20.0	-4.2
Saskatchewan. Total. All areas	**3.4**	**3.4**	**3.8**	**3.6**	**3.2**	**4.5**	**2.9**
Per cent change from previous period	-9.1	36.0	11.8	-5.3	-22.0	40.6	-35.6
Alberta. Total. All areas	**40.8**	**42.1**	**40.4**	**43.0**	**42.8**	**41.8**	**48.3**
Per cent change from previous period	12.6	14.7	-4.0	6.4	-2.3	-2.3	15.6
British Columbia. Total. All areas	**34.7**	**32.5**	**37.3**	**36.8**	**38.0**	**35.7**	**42.9**
Per cent change from previous period	5.3	3.2	14.8	-1.3	11.8	-6.1	20.2

SOURCE: CMHC, Starts and Completions Survey. All data are seasonally adjusted and annualized. This seasonally adjusted data goes through stages of revision at different times through the yearly cycle resulting in finalization of preliminary data. These revisions take place at the end of each month, quarter and year.

Annual rate of housing starts, urban areas*

	2005	Q2:05	Q3:05	Q4:05	M12:05	M01:06	M02:06
Canada	193.5	199.1	197.3	190.9	198.9	215.5	208.3
Newfoundland	1.8	1.6	1.9	1.7	2.0	1.9	2.7
Prince Edward Island	0.6	0.4	0.5	0.5	0.7	1.9	1.5
Nova Scotia	3.3	3.8	3.3	3.2	2.4	5.4	4.3
New Brunswick	2.7	2.8	2.7	2.9	2.2	3.9	2.4
Québec	41.3	40.0	43.0	40.4	40.5	43.0	39.2
Ontario	73.2	79.4	72.8	70.0	79.0	86.8	73.7
Manitoba	2.9	2.7	3.4	2.8	2.1	2.7	2.5
Saskatchewan	2.5	2.8	2.6	2.4	2.0	3.7	2.1
Alberta	34.3	35.9	34.3	34.5	34.3	34.3	40.8
British Columbia	31.1	29.7	32.8	32.5	33.7	31.9	39.1

* Thousands of units, quaterly and monthly data are seasonally adjusted and annualized.

This Month's Major Housing Indicators

	2005	Q2:05	Q3:05	Q4:05	M12:05	M01:06	M02:06
New Housing							
New & unoccupied singles & semis, units 000s	5.3	5.5	5.0	5.1	5.1	5.0	4.9
Per cent change from same period previous year	1.2	4.1	-0.7	-9.9	-12.6	-11.2	-13.7
New & unoccupied row & apartments, units 000s	9.0	9.3	9.3	8.5	8.6	8.0	8.3
Per cent change from same period previous year	33.6	54.0	38.4	3.3	-0.1	-6.1	-3.5
New House Price Index, 1997=100	129.4	128.4	130.1	132.4	133.2	134.4	n.a.
Per cent change from same period previous year	5.0	4.7	4.7	5.6	5.9	6.6	n.a.
Existing Housing							
MLS® resales*, units 000s	483.2	488.6	500.4	488.9	483.2	496.2	n.a.
Per cent change from same period previous year	4.9	3.3	9.9	7.9	6.3	11.6	n.a.
MLS® average resale price, $C 000s**	249.3	247.2	251.4	258.5	260.4	267.8	n.a.
Per cent change from same period previous year	10.2	9.5	11.4	10.3	9.5	12.7	n.a.
Mortgage Market							
1-Year Mortgage Rate, % (period average)	5.06	4.83	4.97	5.55	5.80	5.80	5.85
5-Year Mortgage Rate, % (period average)	5.99	5.90	5.80	6.15	6.30	6.30	6.45

SOURCES: CMHC, Statistics Canada, Bank of Canada, The Canadian Real Estate Association.

n.a. Figures not available

* Quaterly and monthly data are seasonally adjusted and annualized (SAAR).

** Annual and quarterly data is actual. Monthly data is seasonally adjusted.

NHA MBS STATISTICS

NHA MORTGAGE-BACKED SECURITIES

(Average of period except when indicated)

		2004	2005	Q4:04	Q1:05	Q2:05	Q3:05	Q4:05
OUTSTANDING AMOUNT (End of period)								
Residential, single (with PIP *)	$million	1,669	1,456	1,669	1,665	1,580	1,500	1,456
	Units	151	148	151	151	151	146	148
Residential, single (no PIP)	$million	18	10	18	16	14	12	10
	Units	37	30	37	33	32	31	30
Residential, single (no PIP with indemnity)	$million	16,500	16,422	16,500	16,788	16,289	15,953	16,422
	Units	346	409	346	371	375	384	409
Residential, single (no PIP with indemnity, 5-yea	$million	45,106	58,517	45,106	48,486	50,454	53,830	58,517
	Units	613	980	613	736	830	911	980
Residential, multiple	$million	2,233	2,062	2,233	2,209	2,169	2,124	2,062
	Units	147	137	147	144	143	142	137
Social Housing	$million	4,373	4,033	4,373	4,173	4,129	4,057	4,033
	Units	85	81	85	82	81	81	81
Mixed	$million	2,578	2,737	2,578	2,580	2,644	2,689	2,737
	Units	172	198	172	176	181	190	198
Variable rate	$million	6,135	13,555	6,135	6,871	8,894	12,163	13,555
	Units	51	158	51	60	85	133	158
Adjustable rate	$million	0	211	0	0	202	252	211
	Units	0	17	0	0	13	17	17
Spread to weighted average coupon	$million	0	1,245	0	0	0	1,068	1,245
	Units	0	23	0	0	0	13	23
TOTAL	$million	78,612	100,250	78,612	82,788	86,375	93,648	100,250
	Units	1,602	2,181	1,602	1,753	1,891	2,048	2,181
ISSUES (Total of period)								
Residential, single (with PIP)	$million	910	193	104	56	30	48	59
	Units	49	12	6	4	2	2	4
Residential, single (no PIP)	$million	0	0	0	0	0	0	0
	Units	0	0	0	0	0	0	0
Residential, single (no PIP with indemnity)	$million	6,705	5,272	1,703	1,224	1,009	1,181	1,859
	Units	106	109	28	30	19	22	38
Residential, single (no PIP with indemnity, 5-yea	$million	23,722	27,531	6,558	5,621	5,448	7,613	8,849
	Units	346	399	105	125	99	97	78
Residential, multiple	$million	181	0	35	0	0	0	0
	Units	10	0	2	0	0	0	0
Social Housing	$million	244	282	44	52	141	88	0
	Units	8	9	1	3	3	3	0
Mixed	$million	529	442	110	52	94	116	180
	Units	31	34	8	5	6	11	12
Variable rate	$million	5,422	10,634	882	1,030	2,569	4,122	2,913
	Units	44	107	9	9	25	48	25
Adjustable rate	$million	0	266	0	0	207	60	0
	Units	0	17	0	0	13	4	0
Spread to weighted average coupon	$million	0	1,382	0	0	0	1,079	303
	Units	0	23	0	0	0	13	10
TOTAL	$million	37,713	46,002	9,436	8,035	9,497	14,306	14,164
	Units	594	710	159	176	167	200	167
YIELDS (5-year maturity,%)								
MBS Prepayable		4.26	4.01	4.31	4.10	3.82	3.83	4.28
MBS Non-prepayable		4.09	3.82	4.12	3.91	3.63	3.65	4.10
Mortgage rates		6.23	5.99	6.25	6.12	5.90	5.80	6.15
GOCs		3.82	3.59	3.84	3.66	3.39	3.43	3.87
SPREADS OVER GOC (5-year maturity,%)								
Prepayable		0.44	0.42	0.47	0.44	0.43	0.40	0.41
Non-prepayable		0.28	0.23	0.27	0.25	0.24	0.22	0.23
Mortgage rates		2.42	2.40	2.41	2.46	2.51	2.37	2.28

* PIP stands for Penalty Interest Payments

Sources: CMHC, Bank of Canada, Statistics Canada

NHA MORTGAGE-BACKED SECURITIES

OCTOBER TO DECEMBER 2005 ISSUES

POOL NO.	ISSUER	VALUE ($)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	WEIGHTED AVERAGE AMORTIZATION (YRS)
Month of Issue: October 2005						
NHA-Insured Market Residential Pools (Mixed)						
965-02745	Peoples Trust Company	24,446,405.00	4.50	2025-10-01	5.62	25.00
965-02760	Equitable Trust Company (The)	5,919,941.67	4.00	2015-10-01	4.65	25.00
965-02778	Equitable Trust Company (The)	6,260,170.34	3.75	2010-10-01	4.59	19.14
965-02786	Peoples Trust Company	21,826,646.72	3.88	2015-10-01	4.68	24.66
NHA-Insured Market Residential Pools (NO PIP WITH 3 YEAR INDEMNITY)						
970-06720	National Bank of Canada	23,695,890.86	3.50	2008-03-01	4.44	21.01
970-06746	National Bank of Canada	14,749,758.32	3.50	2008-03-01	4.48	10.90
970-06753	National Bank of Canada	49,298,478.39	3.25	2008-09-01	4.66	22.05
970-06761	National Bank of Canada	10,140,708.39	3.25	2008-09-01	4.68	11.05
970-06779	National Bank of Canada	36,780,144.03	3.25	2008-05-01	4.76	21.51
970-06787	National Bank of Canada	13,545,832.19	3.25	2008-05-01	4.84	10.56
970-06795	National Bank of Canada	19,895,252.36	3.00	2008-01-01	4.68	20.25
970-06803	National Bank of Canada	12,857,862.63	3.50	2008-01-01	4.96	10.41
970-06811	National Bank of Canada	17,664,634.80	3.50	2009-09-01	4.92	21.23
970-06829	National Bank of Canada	15,438,739.63	3.50	2009-04-01	5.06	20.59
970-06837	National Bank of Canada	20,661,262.66	3.50	2008-11-01	5.02	20.36
970-06845	National Bank of Canada	11,380,466.87	3.50	2008-02-01	5.09	19.90
970-06852	National Bank of Canada	54,642,890.19	3.50	2009-10-01	5.17	20.87
970-06860	National Bank of Canada	88,053,041.58	3.50	2009-05-01	5.14	20.82
970-06878	National Bank of Canada	17,655,938.25	3.50	2008-12-01	4.83	19.70
970-06886	National Bank of Canada	24,106,010.73	3.50	2008-12-01	4.83	10.65
970-06894	Bank of Nova Scotia	163,300,518.50	3.75	2010-09-01	4.86	22.29
970-06902	Bank of Nova Scotia	177,240,115.83	3.75	2010-09-01	4.74	22.27
NHA-Insured Market Residential Pools (NO PIP WITH 3 YEAR INDEMNITY)						
975-09459	Royal Bank of Canada	31,897,386.42	2.90	2006-06-01	4.16	21.99
975-09467	Royal Bank of Canada	99,403,830.91	3.52	2008-12-01	4.87	21.47
975-09475	Toronto-Dominion Bank	73,084,066.49	3.00	2006-06-01	3.95	22.27
975-09483	Toronto-Dominion Bank	149,858,049.96	3.50	2010-09-01	4.74	22.62
975-09491	Toronto-Dominion Bank	23,058,944.76	3.35	2008-03-01	4.54	22.38
975-09509	Toronto-Dominion Bank	44,186,708.13	3.25	2007-11-01	4.43	21.91
975-09517	Toronto-Dominion Bank	27,041,174.35	3.25	2007-09-01	4.26	9.66
975-09525	Toronto-Dominion Bank	37,873,528.29	3.50	2010-03-01	4.92	21.97
975-09533	Toronto-Dominion Bank	44,044,640.42	3.30	2007-06-01	4.55	21.15
975-09541	Toronto-Dominion Bank	113,772,658.21	3.50	2008-12-01	4.62	22.21
975-09558	Toronto-Dominion Bank	20,562,884.26	3.10	2006-09-01	3.97	22.05
975-09566	Toronto-Dominion Bank	23,950,722.59	3.65	2008-03-01	5.06	20.24
975-09574	Toronto-Dominion Bank	47,033,997.62	3.30	2007-11-01	4.72	21.19
975-09582	Toronto-Dominion Bank	63,771,309.03	3.00	2006-09-01	3.96	9.17
975-09590	Toronto-Dominion Bank	64,206,601.74	3.00	2006-09-01	4.00	21.57
975-09608	Toronto-Dominion Bank	50,809,888.98	3.50	2009-09-01	4.48	23.24
975-09616	Maple Bank GmbH	32,509,487.64	3.60	2008-10-01	4.33	22.54
975-09624	Home Trust Company	66,146,281.46	3.25	2008-10-01	6.01	24.11
975-09632	Home Trust Company	43,467,097.17	3.50	2010-10-01	5.86	24.27
975-09640	ING Bank of Canada	168,992,001.22	3.75	2010-10-01	4.60	22.81

*PIP stands for Penalty Interest Payments
Source: CMHC

Definition of NHA MBS pool types

964 - Comprised exclusively of homeowner mortgages, any Penalty Interest Payments (PIP) from early prepayment are passed through to the investor

967 - Comprised exclusively of homeowner mortgages, all Penalty Interest Payments (PIP) from early prepayment are retained by the issuer

970 - Comprised exclusively of homeowner mortgages, Investors are paid an indemnity in the event of any prepayments made outside the core provisions

975 - Comprised exclusively of homeowner mortgages, Investors are paid an indemnity in the event of any prepayments made outside the core prepayments provisions (5-year term)

966 - Comprised exclusively multi-family rental mortgages, pools mortgages are closed to prepayment options

990 - Comprised exclusively social housing mortgages, pools and mortgages are closed to prepayment options

965 - Mixed Pools, these pools can be comprised of any of the above types of mortgages

985 - Comprised exclusively of equal monthly payment variable rate homeowner mortgage

NHA MORTGAGE-BACKED SECURITIES

OCTOBER TO DECEMBER 2005 ISSUES

POOL NO.	ISSUER	VALUE ($)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	AMORTIZATION (YRS)
Month of Issue: October 2005						
NHA-Insured Variable Rate Pools (VRPBS)						
985-01380	Cdn.Imperial Bank of Commerce	68,706,608.74	3.08	2009-03-01	4.05	19.87
985-01398	Cdn.Imperial Bank of Commerce	23,339,173.26	3.08	2009-03-01	4.15	11.32
985-01406	Cdn.Imperial Bank of Commerce	165,776,631.31	3.08	2009-08-01	4.03	21.78
985-01414	Cdn.Imperial Bank of Commerce	45,826,435.66	3.08	2009-08-01	4.16	11.67
985-01422	Cdn.Imperial Bank of Commerce	16,229,559.06	3.08	2009-08-01	4.05	22.25
985-01430	Cdn.Imperial Bank of Commerce	299,936,511.48	3.08	2010-02-01	4.05	21.61
985-01448	Cdn.Imperial Bank of Commerce	68,490,986.04	3.08	2010-02-01	4.18	11.41
985-01463	Royal Bank of Canada	56,053,674.68	2.88	2007-03-01	3.87	21.21
Month of Issue: November 2005						
NHA-Insured Market Residential Pools (Single Units)						
964-14958	Vancouver City Savings CU	22,060,489.03	3.80	2010-11-01	4.43	22.83
964-14966	Vancouver City Savings CU	12,421,298.60	3.80	2010-10-01	4.41	23.15
NHA-Insured Market Residential Pools (Mixed)						
965-02752	Toronto-Dominion Bank	11,337,023.00	4.25	2025-11-01	4.75	35.00
965-02794	Equitable Trust Company (The)	17,403,084.37	4.45	2015-11-01	4.99	25.88
965-02802	Equitable Trust Company (The)	25,001,872.47	3.65	2010-11-01	4.34	23.50
965-02810	Peoples Trust Company	14,393,507.27	3.38	2010-11-01	4.04	18.27
NHA-Insured Market Residential Pools (NO PIP WITH 3 YEAR INDEMNITY)						
970-06910	HSBC Bank Canada	4,798,469.94	3.50	2008-11-01	4.19	22.39
970-06928	Bank of Nova Scotia	150,448,108.04	4.00	2010-10-01	4.91	21.86
NHA-Insured Market Residential Pools (NO PIP WITH 5 YEAR INDEMNITY)						
975-09160	HSBC Bank Canada	2,568,959.73	3.50	2009-10-01	4.25	23.32
975-09657	Cdn.Imperial Bank of Commerce	17,585,848.49	3.55	2007-11-01	5.12	21.77
975-09665	Cdn.Imperial Bank of Commerce	74,888,116.08	3.51	2008-11-01	4.64	22.66
975-09673	Cdn.Imperial Bank of Commerce	10,966,703.71	3.60	2008-11-01	4.61	21.56
975-09681	Cdn.Imperial Bank of Commerce	11,725,363.84	3.85	2009-06-01	4.92	21.89
975-09699	Cdn.Imperial Bank of Commerce	13,214,111.22	3.90	2009-11-01	5.64	21.39
975-09707	Cdn.Imperial Bank of Commerce	27,281,574.51	3.89	2009-11-01	5.76	10.98
975-09715	Cdn.Imperial Bank of Commerce	14,304,200.81	3.89	2009-11-01	5.35	22.35
975-09723	Cdn.Imperial Bank of Commerce	17,456,682.84	3.00	2006-11-01	4.67	22.70
975-09731	Cdn.Imperial Bank of Commerce	9,878,055.01	3.50	2007-08-01	4.74	21.90
975-09749	Royal Bank of Canada	328,922,152.85	3.50	2008-12-01	4.85	21.56
975-09756	HSBC Bank Canada	13,481,440.03	3.50	2008-11-01	4.15	22.76
975-09764	Toronto-Dominion Bank	516,118,122.07	3.75	2010-09-01	4.79	22.59
975-09772	Toronto-Dominion Bank	201,770,261.20	3.80	2010-03-01	4.95	22.15
975-09780	Toronto-Dominion Bank	99,808,944.88	4.10	2009-09-01	5.24	21.53
975-09798	Toronto-Dominion Bank	410,777,923.03	3.50	2010-09-01	4.62	22.68
975-09806	Toronto-Dominion Bank	94,253,273.08	3.25	2008-09-01	4.58	22.22
975-09814	Cdn.Imperial Bank of Commerce	26,649,968.43	3.55	2008-11-01	4.52	21.91

*PIP stands for Penalty Interest Payments
Source: CMHC

NHA MORTGAGE-BACKED SECURITIES

OCTOBER TO DECEMBER 2005 ISSUES

POOL NO.	ISSUER	VALUE ($)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	WEIGHTED AVERAGE AMORTIZATION (YRS)
Month of Issue: November 2005						
NHA-Insured Variable Rate Pools (VRMBS)						
985-01471	Cdn.Imperial Bank of Commerce	15,652,376.86	3.26	2009-11-01	4.32	20.04
985-01489	Cdn.Imperial Bank of Commerce	51,584,408.77	3.26	2010-05-01	4.29	21.88
985-01497	Cdn.Imperial Bank of Commerce	13,414,551.01	3.26	2010-05-01	4.48	10.85
985-01505	Royal Bank of Canada	47,196,379.19	3.06	2006-10-01	4.16	22.43
985-01513	Royal Bank of Canada	58,973,716.39	3.06	2007-04-01	4.12	21.11
Month of Issue: December 2005						
NHA-Insured Market Residential Pools (Single Units)						
964-14974	Vancouver City Savings CU	11,750,407.08	3.50	2008-11-01	4.26	23.96
964-14982	Vancouver City Savings CU	12,951,432.80	3.50	2008-11-01	4.14	23.95
NHA-Insured Market Residential Pools (Mixed)						
965-02828	Equitable Trust Company (The)	15,215,208.68	4.05	2015-12-01	4.84	18.86
965-02836	Equitable Trust Company (The)	10,016,232.54	3.70	2010-12-01	4.55	24.22
965-02844	Peoples Trust Company	20,947,035.30	3.60	2010-12-01	4.54	22.35
965-02851	Peoples Trust Company	7,499,836.77	4.70	2025-12-01	5.45	25.00
NHA-Insured Market Residential Pools (NO PIP WITH 3 YEAR INDEMNITY)						
970-06936	Bank of Nova Scotia	31,221,164.49	4.00	2010-11-01	5.64	21.88
970-06944	Bank of Nova Scotia	74,806,871.48	4.00	2010-11-01	4.62	21.99
970-06951	Bank of Nova Scotia	108,659,490.40	4.00	2010-11-01	4.62	22.08
970-06969	Bank of Nova Scotia	74,313,744.17	4.00	2010-11-01	5.72	22.13
970-06977	National Bank of Canada	34,099,634.25	3.55	2010-04-01	4.73	11.14
970-06985	National Bank of Canada	35,140,888.48	3.80	2009-10-01	5.06	10.90
970-06993	National Bank of Canada	48,905,134.06	4.00	2009-10-01	5.54	20.56
970-07009	National Bank of Canada	83,753,062.20	3.80	2010-04-01	4.73	21.30
970-07017	National Bank of Canada	63,424,631.97	4.35	2010-10-01	5.51	21.94
970-07025	National Bank of Canada	22,967,272.34	3.40	2009-05-01	4.67	11.05
970-07033	National Bank of Canada	34,589,550.84	3.60	2010-10-01	4.82	11.21
970-07041	National Bank of Canada	62,453,229.31	3.00	2010-10-01	4.67	23.41
970-07058	National Bank of Canada	107,907,830.15	3.50	2009-05-01	4.92	20.17
970-07066	National Bank of Canada	13,974,936.88	4.00	2009-05-01	5.52	10.78
970-07074	National Bank of Canada	82,575,773.91	2.80	2009-10-01	4.66	20.52
970-07082	La Capitale Civil Service Irs	47,600,743.61	3.86	2010-12-01	4.70	23.21
970-07090	HSBC Bank Canada	3,601,852.16	3.55	2008-12-01	4.28	22.62
970-07108	La Capitale Civil Service Irs	2,779,830.70	3.89	2010-12-01	4.71	13.27
NHA-Insured Market Residential Pools (NO PIP WITH 5 YEAR INDEMNITY)						
975-09822	Laurentian Bank of Canada	51,289,477.58	4.15	2010-12-01	5.39	22.58
975-09830	Royal Bank of Canada	95,210,231.87	3.80	2008-03-01	4.67	20.78
975-09848	Royal Bank of Canada	387,620,452.85	4.14	2010-11-01	4.81	22.12
975-09855	National Bank of Canada	33,743,767.90	3.90	2009-04-01	4.99	20.45
975-09863	National Bank of Canada	53,532,712.44	3.00	2010-10-01	4.62	21.93
975-09871	National Bank of Canada	22,452,455.78	4.35	2010-10-01	5.65	21.86

*PIP stands for Penalty Interest Payments
Source: CMHC

NHA MORTGAGE-BACKED SECURITIES

OCTOBER TO DECEMBER 2005 ISSUES

POOL NO.	ISSUER	VALUE ($)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	WEIGHTED AVERAGE AMORTIZATION (YRS)
Month of Issue: December 2005						
NHA-Insured Market Residential Pools (NO PIP WITH 5 YEAR INDEMNITY)						
97509889	HSBC Bank Canada	3,869,683.84	3.55	2008-12-01	4.25	23.36
97509897	Cdn.Imperial Bank of Commerce	11,514,288.85	4.00	2008-08-01	5.80	22.10
97509905	Cdn.Imperial Bank of Commerce	20,446,605.25	3.80	2008-12-01	4.75	22.40
97509913	Cdn.Imperial Bank of Commerce	57,547,896.67	3.95	2009-07-01	5.24	20.95
97509921	Cdn.Imperial Bank of Commerce	19,036,406.97	3.80	2009-06-01	5.28	11.00
97509939	Cdn.Imperial Bank of Commerce	9,093,266.12	3.80	2009-07-01	4.82	21.13
97509947	Cdn.Imperial Bank of Commerce	36,498,636.94	3.95	2009-12-01	5.41	21.97
97509954	Cdn.Imperial Bank of Commerce	10,374,537.85	4.06	2009-12-01	5.68	11.24
97509962	Cdn.Imperial Bank of Commerce	10,388,863.66	4.06	2009-12-01	5.46	22.34
97509970	Cdn.Imperial Bank of Commerce	29,696,120.55	4.00	2010-06-01	5.06	22.19
97509988	Cdn.Imperial Bank of Commerce	10,864,791.03	4.08	2010-06-01	6.16	22.31
97509996	Cdn.Imperial Bank of Commerce	458,736,409.36	4.00	2010-12-01	4.90	22.62
97510002	Cdn.Imperial Bank of Commerce	57,967,268.37	4.00	2010-12-01	4.92	11.58
97510010	Cdn.Imperial Bank of Commerce	43,524,262.34	4.00	2010-12-01	4.84	22.41
97510028	Cdn.Imperial Bank of Commerce	369,118,571.21	4.00	2010-12-01	4.70	22.33
97510036	Cdn.Imperial Bank of Commerce	27,868,668.51	4.00	2010-12-01	4.72	11.69
97510044	Cdn.Imperial Bank of Commerce	91,551,776.38	4.00	2010-12-01	4.67	22.44
97510051	Royal Bank of Canada	460,449,841.42	3.70	2010-11-01	4.40	22.61
97510069	Maple Bank GmbH	353,344,395.44	3.89	2010-12-01	4.56	22.50
97510077	Maple Bank GmbH	77,948,760.48	3.89	2010-12-01	4.57	21.57
97510085	Royal Bank of Canada	1,280,101,977.39	3.70	2010-11-01	4.41	22.71
97510093	Toronto-Dominion Bank	30,397,817.82	2.90	2006-06-01	3.94	9.25
97510101	Toronto-Dominion Bank	27,069,700.04	3.00	2007-09-01	4.16	22.75
97510119	Toronto-Dominion Bank	1,029,287,048.25	3.75	2010-11-01	4.71	22.85
97510127	Toronto-Dominion Bank	22,068,434.38	3.15	2007-09-01	4.25	22.39
97510135	Toronto-Dominion Bank	21,301,831.17	3.15	2007-09-01	4.26	21.74
97510143	Toronto-Dominion Bank	42,997,609.20	3.75	2008-02-01	4.99	21.26
97510150	Toronto-Dominion Bank	32,645,954.12	3.75	2008-02-01	5.01	21.32
97510168	Toronto-Dominion Bank	79,028,507.53	2.75	2010-02-01	4.45	22.76
97510176	Bank of Montreal	99,406,871.03	3.75	2010-09-01	4.54	22.94
97510184	Bank of Montreal	142,674,995.25	3.75	2010-09-01	4.55	22.41
97510192	Merrill Lynch Canada Inc.	32,902,826.06	4.00	2010-12-01	4.53	24.17
97510200	Merrill Lynch Canada Inc.	57,989,397.87	4.00	2010-12-01	4.54	24.11
97510218	Home Trust Company	30,242,330.52	3.25	2008-12-01	6.38	24.32

*PIP stands for Penalty Interest Payments
Source: CMHC

NHA MORTGAGE-BACKED SECURITIES

OCTOBER TO DECEMBER 2005 ISSUES

POOL NO.	ISSUER	VALUE ($)	COUPON RATE (%)	DUE DATE	WEIGHTED AVERAGE INTEREST(%)	WEIGHTED AVERAGE AMORTIZATION (YRS)
Month of Issue: December 2005						
NHA-Insured Variable Rate Pools (YRMBS)						
985-01521	Royal Bank of Canada	54,473,067.04	3.25	2006-08-01	4.18	22.10
985-01539	Royal Bank of Canada	138,078,404.02	3.25	2007-06-01	4.12	21.40
985-01547	Cdn.Imperial Bank of Commerce	650,021,830.92	3.13	2010-12-01	3.83	21.53
985-01554	Cdn.Imperial Bank of Commerce	84,559,012.17	3.13	2010-12-01	3.82	11.59
985-01562	Cdn.Imperial Bank of Commerce	353,914,359.60	3.39	2010-12-01	4.29	22.27
985-01570	Cdn.Imperial Bank of Commerce	44,756,590.36	3.39	2010-12-01	4.45	10.93
985-01588	Cdn.Imperial Bank of Commerce	46,709,878.32	3.13	2010-12-01	3.82	21.30
985-01596	Cdn.Imperial Bank of Commerce	35,347,724.75	3.39	2010-12-01	4.24	22.10
985-01604	Toronto-Dominion Bank	277,430,998.50	3.25	2010-11-01	4.09	25.41
985-01620	Bank of Montreal	141,190,394.38	3.33	2010-12-01	4.38	22.30
985-01646	Bank of Montreal	117,086,154.01	3.33	2010-12-01	4.38	22.87
Weighted Average Coupon						
987-00149	Caisse Centrale Desj.du Québec	6,353,994.22	2.64	2010-06-01	3.44	11.42
987-00156	Caisse Centrale Desj.du Québec	41,447,650.86	2.35	2010-06-01	3.15	22.32
987-00164	Caisse Centrale Desj.du Québec	11,452,705.04	2.97	2010-06-01	3.77	22.12
987-00172	Caisse Centrale Desj.du Québec	2,372,476.28	2.79	2010-11-01	3.59	11.51
987-00180	Caisse Centrale Desj.du Québec	41,391,497.60	2.28	2010-11-01	3.08	22.62
987-00198	Caisse Centrale Desj.du Québec	4,541,648.73	3.63	2010-11-01	4.43	21.99
987-00206	Merrill Lynch Canada Inc.	19,258,798.91	3.13	2010-12-01	3.95	22.60
987-00214	Merrill Lynch Canada Inc.	52,689,428.63	3.13	2010-12-01	3.95	24.08
987-00222	Merrill Lynch Canada Inc.	26,809,539.44	3.13	2010-12-01	3.95	22.30
987-00230	Merrill Lynch Canada Inc.	96,662,345.89	3.13	2010-12-01	3.95	24.19

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APRIL 2006

Canadian Market Overview

New Home Market

Starts remain strong in March

The seasonally adjusted annual rate[1] of housing starts was 251,700 units in March, up from 241,900 units in February.

Apartment starts surged in a number of centres in March. Despite the rise in multiple starts, single starts decreased for a second consecutive month suggesting that the pace of new home starts will begin to pull back.

Multiple starts increased while single starts decreased

The seasonally adjusted annual rate of urban starts rose 4.7 per cent to 219,700 units with activity in single and multiple starts diverging. Multiple starts were up 18.6 per cent to 123,000 units, while singles were down 8.9 per cent to

continued on page 2...

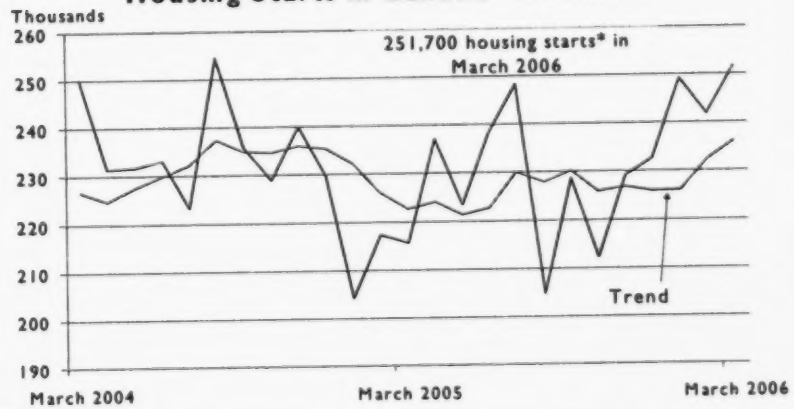
In this Issue:

Canadian Market Overview ---------- 1

Punching the clock for housing ---------- 4

Starts Statistics ---------- 11

Housing Starts in Canada - All Areas*



Source: CMHC

*Seasonally adjusted at annual rates

Monthly housing starts numbers published in Housing Now Canada are final and may differ from the preliminary numbers in the starts press release

[1] All starts figures, other than actual starts, are seasonally adjusted annual rates (SAAR) that are monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels.

Canada

CMHC SCHL

HOME TO CANADIANS

96,700 units in March compared to the previous month.

Urban starts increased in Quebec and the Prairie provinces

The Quebec region led the country with a 21.2 per cent increase in urban housing starts to 48,100 units due in large part to a jump in multiple construction in Montreal. Strong growth in each of the Prairie provinces led to a second consecutive month of double-digit gains in urban housing starts in the region (13.4 per cent). Elsewhere, urban housing starts declined in the Atlantic region (-13.1 per cent) and in Ontario (-5.0 per cent), but were virtually unchanged in British Columbia (0.3 per cent).

Rural starts in March were estimated at a seasonally adjusted annual rate of 32,000 units.

Year-to-date actual urban starts are higher than in the same period last year

For the first three months of the year, actual urban starts were 19.1 per cent higher than in the same period in 2005. Year-to-date in 2006, single starts are up 16.7 per cent and multiple starts are up 21.2 per cent compared to the same period last year.

New house prices remained strong in February

The year-over-year increase in the price of new homes, as measured by the New Housing Price index (NHPI), was 7.0 per cent in February 2006, up from 6.6 per cent in January 2006. Higher building material and labour costs, as well as increasing land values contributed to the increase in house prices.

Existing Home Market

MLS® sales up slightly

Seasonally adjusted MLS® (Multiple Listings Service) sales rose to 41,500 units in February 2006 up 0.2 per cent from 41458 units in January 2006.

For the first two months of the year, actual MLS® sales were up 10.7 per cent to 64,832 compared to the same period in 2005.

MLS® new listings take a break in February

Seasonally adjusted MLS® new listings in February 2006 fell to 64,382 units, down 0.5 per cent from 64,711 units in January 2006.

Actual new listings for the first two months of 2006 were up 8.3 per cent over the same period in 2005.

Sellers' market conditions across Canada continue to support strong growth in house prices

An indicator of price pressure in the existing home market is the sales-to-new-listings ratio[1]. New listings are a gauge of supply of existing

Sellers' market continues to support rising house prices

Data are seasonally adjusted and annualized

Sources: CMHC, Canadian Real Estate Board (CREA), MLS®

continued on page 3...

homes, while MLS® sales are a proxy for demand.

The sales-to-new-listings ratio for Canada remained in sellers' market territory in February, at about 65 per cent. As a result, the average MLS® price was 12.3 per cent higher in January 2006 compared to the same period the previous year.

Economic conditions

In March, employment increased by 51,000 jobs. Full-time employment contributed most to the gain with an increase of 44,000 jobs, while part-time employment was up by 7,000 jobs.

The unemployment rate edged down by 0.1 percentage point to a 32-year low of 6.3 per cent in March.

Employment in March 2006 was up 2.1 per cent compared to a year ago.

The seasonally adjusted employment-to-population ratio remains close to historical peak levels. In other words, a record share of Canadians are employed, which is supporting high levels of consumer confidence and strong demand for housing.

The Bank of Canada raised its target for the overnight lending rate by a quarter of a percentage point to 4 per cent on April 25th for a fifth consecutive time. With the economy operating close to full capacity, the gradual reduction in monetary stimulus will help to prevent rising inflationary pressures.

In March, the price of goods and services included in the Consumer Price Index (CPI) basket increased 2.2 per cent compared to the same month in 2005. The increase was mainly due to the higher cost of gasoline, purchase and leasing of automotive vehicles, and homeowners' replacement costs. These increases were restrained by a drop in computer equipment and supplies, and lower prices in men's and women's clothing.

[1] Taking the Canadian market as a whole, a sales-to-new-listings ratio below 35 per cent has historically accompanied prices that are rising at a rate that is less than inflation, a situation known as a *buyers' market*. A sales-to-new-listings ratio above 50 per cent is associated with a *sellers' market*. In a sellers' market, home prices generally rise more rapidly than overall inflation. When the sales-to-new-listings ratio is between these thresholds, the market is said to be *balanced*.

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Product # 63830-2006-M04

PUNCHING THE CLOCK FOR HOUSING

Using average hourly earnings data for different centres across Canada, we calculated the average number of hours a person would need to work in a month to bring the mortgage payment on an average priced house down to 30 per cent of monthly income. A similar calculation is made using average rents and the results for different centres are compared.

House prices and apartment rents vary from centre to centre as do average incomes. To get an idea of the burden that mortgage payments or rents put on people's budgets, we examine the number of work hours that a person earning the average hourly wage needs to work in a month to bring the average two-bedroom rent[1] or the average mortgage payment[2] down to 30 per cent of their income. The average number of work hours needed to rent or own was calculated for each year from 1997 to 2005, for each major centre, and each province.

Using this ratio, we can rank different housing markets in terms of the number of hours of work required to own or rent a dwelling without spending more than 30 per cent of income. This should not, however, be interpreted as a complete affordability measure. Ideally, measures of affordability are based on household income. Our analysis uses average hourly wages of individuals which is often lower than household income. Ideally, measures of affordability also take into account shelter costs other than the monthly rent or the mortgage payment, such as property taxes and heating. Our analysis does not factor in these other shelter costs.

Hourly wage rates across the country

In 2005, individual hourly wages varied widely from one province to another and from one centre to another. The gap between the centre with the highest average wage rate (Ottawa) and the centre with the lowest average wage rate (Saint John) was about $7.38 per hour (see table 1). When looking at the provinces, there was a difference of $5.45 per hour between the highest average wage rate (Ontario) and the lowest (PEI). All the provinces and the centres in the Atlantic

Table 1: Average hourly wage per person

	Hourly wage 2005 ($ hour)
Ottawa	25.89
Oshawa	23.52
Gatineau	23.18
Calgary	22.94
Hamilton	22.92
Windsor	22.87
Toronto	22.32
Victoria	21.98
Vancouver	21.91
Kingston	21.68
Kitchener	21.45
Sudbury	21.28
Thunder Bay	21.22
London	21.20
Edmonton	21.18
Saguenay	20.86
Québec	20.77
Montréal	20.71
Abbotsford	20.37
Trois-Rivières	20.27
Regina	20.27
Ste-Catharines	20.10
Saskatoon	20.04
Sherbrooke	19.98
Halifax	19.76
Winnipeg	19.52
St John's	19.18
Saint John	18.51
Ontario	22.07
British Columbia	21.58
Alberta	21.35
CANADA	20.99
Québec	20.23
Manitoba	18.73
Saskatchewan	18.69
Nova Scotia	18.37
Newfoundland	18.05
New Brunswick	17.31
PEI	16.62

[1] Based on the CMHC rental market survey, the average rent taken into account was surveyed for buildings of three or more apartment units

[2] Monthly average mortgage payments were calculated with average annual MLS price, 20 % down payment, five year term mortgage rate, and 25 year amortization period.

region had the lowest average hourly wages, at less than $20 per hour. Average hourly wages in the provinces of Saskatchewan, Manitoba, Quebec and their respective centres were above those in the Maritime Provinces but remained below the Canadian average of $20.99 per hour per person[3]. Alberta and British Columbia had average hourly wages that were slightly higher than the Canadian average while Ontario had the highest average of $22.07 per hour. The province of Alberta and the Calgary CMA registered the largest hourly wage growth between 1997 and 2005 (more than 36 %).

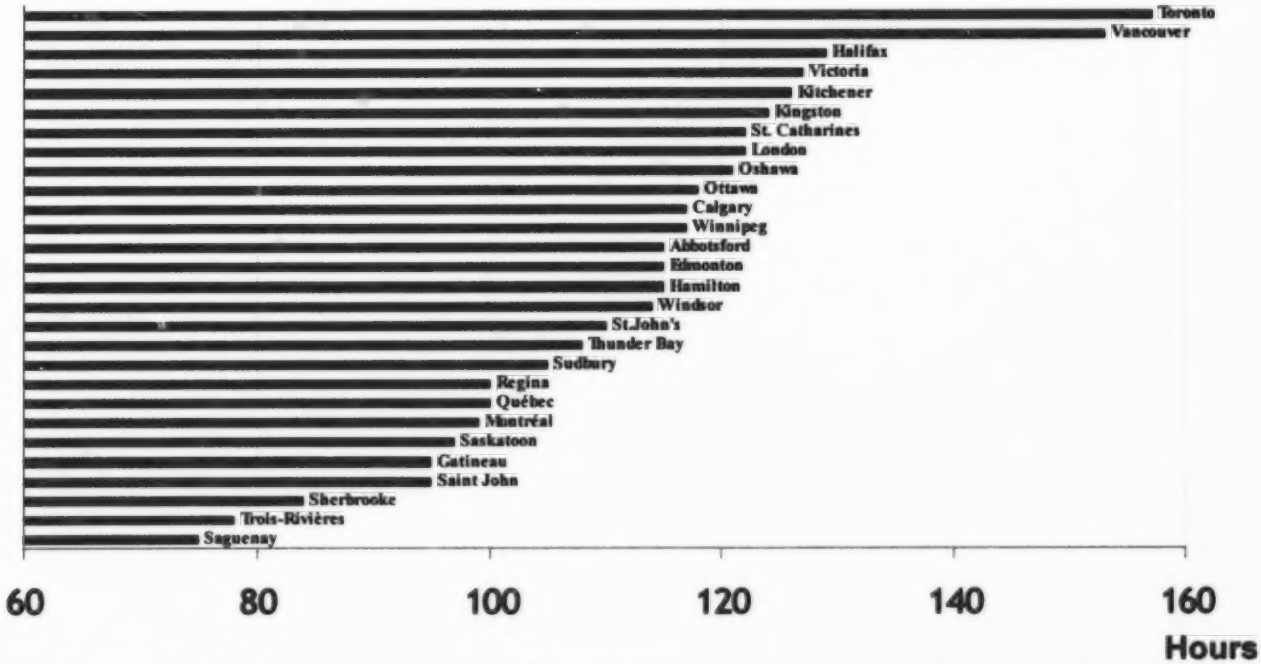
The ranking of centres by hours worked required is different for home ownership than for renting. The combination of average hourly wage rates and prices[4] allows us to compare the number of work hours needed (so that housing costs equal 30% of gross income) to the number of work hours available in a typical work month[5].

[3] With the exception of the Gatineau centre which presented an average of 23.2 $ per hour per person in 2005

[4] For monthly mortgage or rent payments.

[5] Based on the assumption of a 37.5 hour work week, the number of work hours available in a typical work month is 162.5

Graph 1 : Number of work hours needed to RENT at the average hourly wage* by centre (2005)



Source: CMHC, CREA

** Two bedroom apartment rent represents 30 % of gross salary earned*

The average number of work hours needed to rent remained low across Canada

In Canada in 2005, a person earning the average hourly wage would have to work 116 hours in order to bring the average rent on a two bedroom apartment to 30% of his/her gross income. This is well below the 162.5 hours available in the typical work month. Average rents were low enough in all centres that fewer than 162.5 hours of work were required per month.

Toronto and Vancouver share the distinction of requiring the highest number of hours to bring the average two bedroom rent down to 30 per cent of income (more than 150 work hours in 2005, see graph I).

All the Quebec centres ranked at the bottom of the list. In these centres, 100 or less work hours per month was required to bring the average rent payment down to 30 per cent of income in 2005.

Between 1997 and 2005, the number of monthly work hours needed to make out 30 per cent of income has decreased for 22 out of 28 centres. In these cases, income growth has outpaced rent growth during the period. The number of work hours needed also decreased at the national level (see graph II). Between 1997 and 2005, the number of work hours needed to rent has not changed much (less than 10 per cent change for 24 out of 28 centres).

Graph II : The number of work hours needed to RENT has trended down over the past six years in Canada

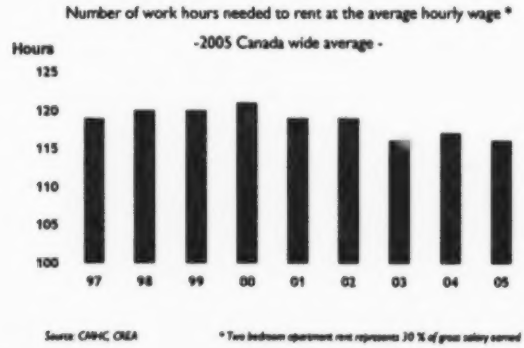


Table II: Number of hours required to bring the average rent on a two bedroom apartment down to 30 per cent of gross income (2005)

	Work Hours required To RENT
Toronto	157
Vancouver	153
Halifax	129
Victoria	127
Kitchener	126
Kingston	124
Ste-Catharines	122
London	122
Oshawa	121
Ottawa	118
Calgary	117
Winnipeg	117
Abbotsford	115
Edmonton	115
Hamilton	115
Windsor	114
St John's	110
Thunder Bay	108
Sudbury	105
Regina	100
Québec	100
Montréal	99
Saskatoon	97
Gatineau	95
Saint John	95
Sherbrooke	84
Trois-Rivières	78
Saguenay	75
Ontario	136
Nova Scotia	132
British Columbia	130
PEI	123
Alberta	119
Manitoba	119
CANADA	116
New Brunswick	113
Newfoundland	107
Saskatchewan	103
Québec	97

Sources: CMHC, adpated from Statistics Canada

The number of work hours needed to own was on the rise between 1997 and 2005

In 2005, the Canada wide number of monthly work hours required at the average hourly wage to bring the mortgage payment on an average priced house down to 30 % of gross income was 202 hours. This implies that in some centres homeownership requires an income that is higher than the average. Vancouver (331 work hours), Victoria (295 work hours), Abbotsford (273 work hours), and Toronto (257 work hours) were the only centres for which the work hours required were higher than the Canadian average in 2005.

Thunder Bay, Trois-Rivières, and Saguenay required less than 100 hours of work per month to bring the mortgage on the averaged priced home down to 30 per cent of income in 2005. In Vancouver, the required number of monthly work hours was four times the number in Saguenay in 2005. It should be noted that Vancouver, Victoria and Toronto ranked among the highest monthly work hours for both renting and owning, while Saguenay and Trois-Rivières ranked lowest.

It is also interesting to note that the gap between the lowest and highest number of monthly work hours was smaller for renting than for owning in 2005. In the case of renting, the centre requiring the least hours of work in a month was Saguenay (75 work hours). This is half the number of hours required in Toronto (157 work hours). In the case of owning, Saguenay was also the centre which required the least number of monthly work hours (82 hours). This is a quarter of what is required in Vancouver (331 work hours).

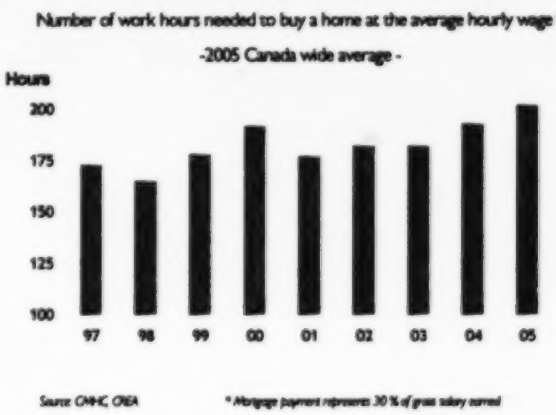
Table III: Number of monthly hours of work required to bring the morgtgage payment on an average priced house down to 30 per cent of gross income (2005)

	Work Hours required To OWN
Vancouver	331
Victoria	295
Abbotsford	273
Toronto	257
Calgary	186
Oshawa	183
Kitchener	175
Hamilton	171
Ste-Catharines	170
Montréal	168
Ottawa	164
Halifax	163
Edmonton	156
Kingston	154
London	144
Sherbrooke	130
St John's	125
Saskatoon	123
Windsor	122
Winnipeg	120
Québec	116
Gatineau	115
Saint John	110
Sudbury	108
Regina	104
Thunder Bay	97
Trois-Rivières	83
Saguenay	82
British Columbia	262
Ontario	203
CANADA	202
Alberta	174
Québec	156
Nova Scotia	148
Newfoundland	133
Manitoba	122
PEI	120
New Brunswick	119
Saskatchewan	112

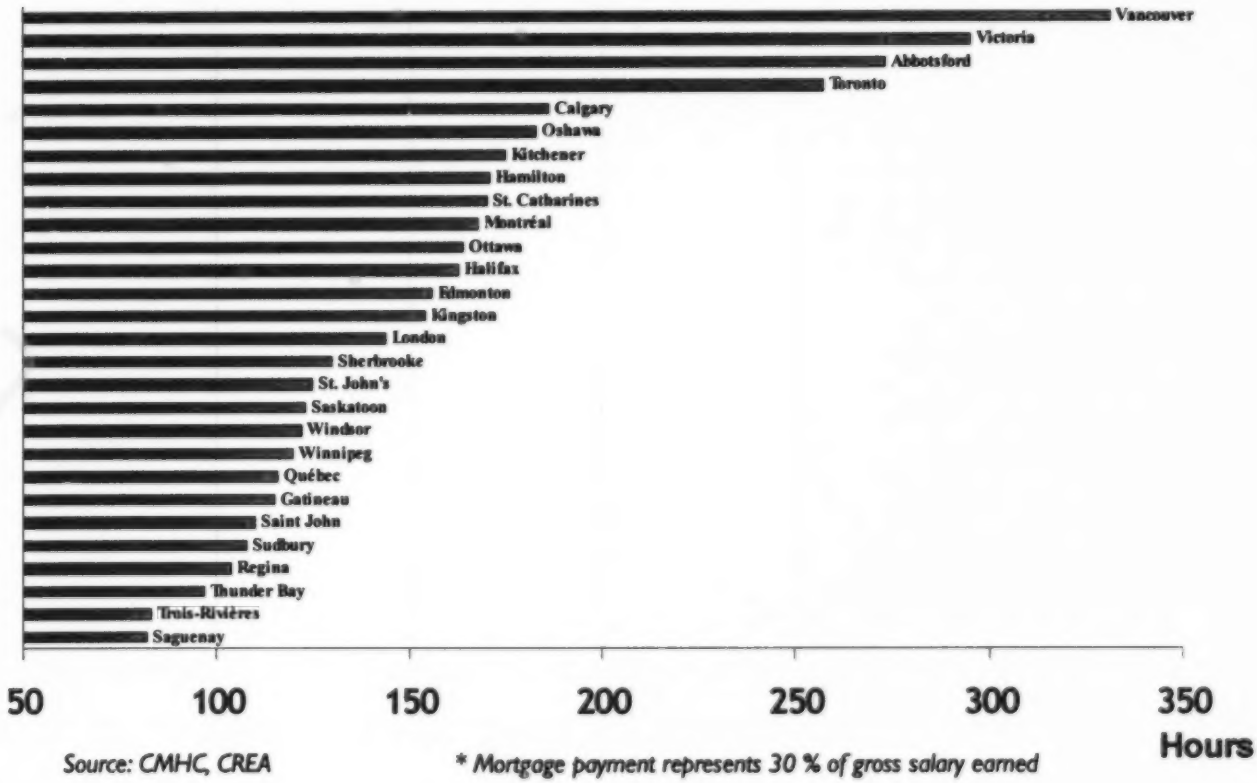
Sources: CMHC, CREA, adpated from Statistics Canada

Between 1997 and 2005, the number of work hours needed in a month to bring the mortgage payment down to 30 per cent of income has increased for 24 out of 28 centres and has trended higher for Canada (see graph IV). Montréal, Victoria, and Québec City posted the largest increases with 37%, 37%, and 31%, respectively. On the other hand, Sudbury, Windsor, and Thunder Bay all posted decreases in the monthly hours of work required of 1 %, 9 %, and 15 %, respectively.

Graph IV : The number of work hours needed to OWN has increased for the past nine years in Canada



Graph III : Number of work hours needed to OWN at the average hourly wage by centre (2005)



Source: CMHC, CREA

** Mortgage payment represents 30 % of gross salary earned*

At the provincial level, British Columbia (262 work hours) and Ontario (203 work hours) posted the highest number of monthly hours required to bring the mortgage payment on the average priced home to 30 per cent of income. Alberta came in third position with an average of 174 monthly work hours required. The province of Saskatchewan with 112 work hours required per month was the lowest.

The gap between the work hours needed to own or rent tended to be larger in more expensive markets. The incentives to get into homeownership were quite high in centres like Windsor, Saguenay, Trois-Rivières, Winnipeg, and Sudbury where the difference between owning and renting was less than 10 work hours per month in 2005. More surprisingly, in Thunder Bay, buying a home required fewer hours of work than renting.

Table IV: Average hourly wage per person, MLS average price and two bedroom apartment rent

	Hourly wage 2005 ($/hour)	MLS average price 2005 ($)	Two Bedroom Rent 2005 ($)
Ottawa	25.89	248,358	920
Oshawa	23.52	252,606	855
Gatineau	23.18	156,591	660
Calgary	22.94	250,832	808
Hamilton	22.92	229,753	791
Windsor	22.87	137,062	683
Toronto	22.32	336,176	1,052
Victoria	21.98	380,897	837
Vancouver	21.91	425,745	1,004
Kingston	21.68	195,757	807
Kitchener	21.45	220,511	811
Sudbury	21.28	134,440	668
Thunder Bay	21.22	121,183	689
London	21.20	178,910	775
Edmonton	21.18	193,934	732
Saguenay	20.86	100,891	472
Québec	20.77	141,485	621
Montréal	20.71	203,720	616
Abbotsford	20.37	326,312	704
Trois-Rivières	20.27	99,010	474
Regina	20.27	123,600	607
Ste-Catharines	20.10	200,549	736
Saskatoon	20.04	144,787	584
Sherbrooke	19.98	152,886	505
Halifax	19.76	188,484	762
Winnipeg	19.52	163,001	780
St John's	19.18	141,167	634
Saint John	18.51	119,718	526
Ontario	22.07	263,041	903
British Columbia	21.58	332,224	844
Alberta	21.35	218,266	765
CANADA	20.99	249,311	731
Québec	20.23	184,583	591
Manitoba	18.73	133,854	669
Saskatchewan	18.69	122,765	577
Nova Scotia	18.37	159,556	726
Newfoundland	18.05	141,167	578
New Brunswick	17.31	120,641	586
PEI	16.62	117,238	612

This Month's Housing Data (SAAR)

	2005	Q3:05	Q4:05	Q1:06	M01:06	M02:06	M03:06
Housing starts, units, 000s							
Canada. Total. All areas	**225.5**	**227.4**	**224.6**	**248.0**	**249.3**	**241.9**	**251.7**
Per cent change from previous period	-3.4	-2.4	-1.2	10.4	7.2	-3.0	4.1
Canada. Total. Rural areas	**32.0**	**30.1**	**33.7**	**32.0**	**32.0**	**32.0**	**32.0**
Per cent change from previous period	10.2	-11.2	12.0	-5.0	-5.0	0.0	0.0
Canada. Total. Urban areas	**193.5**	**197.3**	**190.9**	**216.0**	**217.3**	**209.9**	**219.7**
Per cent change from previous period	-5.3	-0.9	-3.2	13.1	9.3	-3.4	4.7
Canada. Single. Urban areas	**94.0**	**91.4**	**94.5**	**105.4**	**112.7**	**106.2**	**96.7**
Per cent change from previous period	-9.5	-5.8	3.4	11.5	15.2	-5.8	-8.9
Canada. Multiple. Urban areas	**99.5**	**105.9**	**96.4**	**110.6**	**104.6**	**103.7**	**123.0**
Per cent change from previous period	-1.0	3.7	-9.0	14.7	3.5	-0.9	18.6
Newfoundland. Total. All areas	**2.5**	**2.6**	**2.4**	**2.7**	**2.6**	**3.4**	**1.9**
Per cent change from previous period	-13.0	13.0	-7.7	12.5	-3.7	30.8	-44.1
Prince Edward Island. Total. All areas	**0.9**	**0.8**	**0.8**	**1.5**	**2.1**	**1.7**	**0.5**
Per cent change from previous period	-6.2	33.3	0.0	87.5	110.0	-19.0	-70.6
Nova Scotia. Total. All areas	**4.8**	**4.6**	**4.9**	**7.1**	**7.2**	**6.1**	**7.9**
Per cent change from previous period	1.2	-13.2	6.5	44.9	75.6	-15.3	29.5
New Brunswick. Total. All areas	**4.0**	**3.9**	**4.2**	**4.2**	**5.5**	**3.7**	**3.2**
Per cent change from previous period	0.3	-4.9	7.7	0.0	57.1	-32.7	-13.5
Quebec. Total. All areas	**50.9**	**50.0**	**49.5**	**50.7**	**50.4**	**46.6**	**55.0**
Per cent change from previous period	-12.9	-2.7	-1.0	2.4	1.6	-7.5	18.0
Ontario. Total. All areas	**78.8**	**78.5**	**74.7**	**83.5**	**94.2**	**80.0**	**76.3**
Per cent change from previous period	-7.4	-9.7	-4.8	11.8	12.5	-15.1	-4.6
Manitoba. Total. All areas	**4.7**	**5.5**	**4.7**	**5.2**	**4.9**	**4.7**	**6.0**
Per cent change from previous period	6.6	25.0	-14.5	10.6	22.5	-4.1	27.7
Saskatchewan. Total. All areas	**3.4**	**3.8**	**3.6**	**3.4**	**4.2**	**2.7**	**3.1**
Per cent change from previous period	-9.1	11.8	-5.3	-5.6	31.3	-35.7	14.8
Alberta. Total. All areas	**40.8**	**40.4**	**43.0**	**49.7**	**42.7**	**50.9**	**55.6**
Per cent change from previous period	12.6	-4.0	6.4	15.6	-0.2	19.2	9.2
British Columbia. Total. All areas	**34.7**	**37.3**	**36.8**	**40.0**	**35.5**	**42.1**	**42.2**
Per cent change from previous period	5.3	14.8	-1.3	8.7	-6.6	18.6	0.2

SOURCE: CMHC, Starts and Completions Survey. All data are seasonally adjusted and annualized. This seasonally adjusted data goes through stages of revision at different times through the yearly cycle resulting in finalization of preliminary data. These revisions take place at the end of each month, quarter and year.

Annual rate of housing starts, urban areas*

	2005	Q3:05	Q4:05	Q1:06	M01:06	M02:06	M03:06
Canada	193.5	197.3	190.9	216.0	217.3	209.9	219.7
Newfoundland	1.8	1.9	1.7	1.9	1.8	2.6	1.1
Prince Edward Island	0.6	0.5	0.5	1.3	1.9	1.5	0.3
Nova Scotia	3.3	3.3	3.2	5.3	5.4	4.3	6.1
New Brunswick	2.7	2.7	2.9	2.8	4.1	2.3	1.8
Québec	41.3	43.0	40.4	43.8	43.5	39.7	48.1
Ontario	73.2	72.8	70.0	77.1	87.8	73.6	69.9
Manitoba	2.9	3.4	2.8	3.0	2.7	2.5	3.8
Saskatchewan	2.5	2.6	2.4	2.9	3.7	2.2	2.6
Alberta	34.3	34.3	34.5	41.8	34.8	43.0	47.7
British Columbia	31.1	32.8	32.5	36.1	31.6	38.2	38.3

* Thousands of units, quaterly and monthly data are seasonally adjusted and annualized.

This Month's Major Housing Indicators

	2005	Q3:05	Q4:05	Q1:06	M01:06	M02:06	M03:06
New Housing							
New & unoccupied singles & semis, units 000s	5.3	5.0	5.1	4.9	5.0	4.9	4.9
Per cent change from same period previous year	1.2	-0.7	-9.9	-12.7	-11.2	-13.7	-13.3
New & unoccupied row & apartments, units 000s	9.0	9.3	8.5	8.3	8.0	8.3	8.5
Per cent change from same period previous year	33.6	38.4	3.3	-6.2	-6.1	-3.5	-8.7
New House Price Index, 1997=100	129.4	130.1	132.4	n.a.	134.4	135.3	n.a.
Per cent change from same period previous year	5.0	4.7	5.6	n.a.	6.6	7.0	n.a.
Existing Housing							
MLS® resales*, units 000s	483.2	500.4	488.9	n.a.	497.5	498.7	n.a.
Per cent change from same period previous year	4.9	9.9	7.9	n.a.	11.9	8.7	n.a.
MLS® average resale price*, $C 000s	249.3	251.4	258.5	n.a.	266.5	269.8	n.a.
Per cent change from same period previous year	10.2	11.4	10.3	n.a.	12.1	12.0	n.a.
Mortgage Market							
1-Year Mortgage Rate, % (period average)	5.06	4.97	5.55	5.90	5.80	5.85	6.05
5-Year Mortgage Rate, % (period average)	5.99	5.80	6.15	6.40	6.30	6.45	6.45

SOURCES: CMHC, Statistics Canada, Bank of Canada, The Canadian Real Estate Association.

n.a. Figures not available

* Quaterly and monthly data are seasonally adjusted and annualized (SAAR).

** Annual and quarterly data is actual. Monthly data is seasonally adjusted.

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